

APPROVED
by the Resolution of the Extraordinary General
Meeting of Shareholders of PJSC ALROSA
Minutes No. 36 of January 15, 2018

REGULATIONS
on the Executive Committee
PJSC ALROSA

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1. GENERAL PROVISIONS

1.1. These Regulations shall be an internal document of PJSC ALROSA (hereinafter the Company), determining the terms, procedure of convening and holding meetings (absentee voting) of the Executive Committee, quorum for meetings, and procedure of decision-making by the Executive Committee and control over the execution of decisions.

1.2. The Executive Committee shall be a plural executive body of the Company, and in its operation, it shall be governed by the legislation of the Russian Federation, resolutions of the General Meetings of Shareholders and the Supervisory Board, Articles of Association of the Company.

1.3. The Executive Committee of the Company shall perform day-to-day management of the Company within the competence determined by the Articles of Association of the Company, resolutions of the General Meeting of Shareholders and the Supervisory Board, and shall act for the benefit of the Company.

1.4. The Executive Committee shall be accountable to the Supervisory Board and the General Meeting of Shareholders of the Company.

1.5. The competence of the Executive Committee shall be determined by the Articles of Association of the Company.

1.6. By the decision of the Executive Committee, committees, commissions and other advisory and (or) consultative bodies may be formed for a detailed study of issues within the competence of the Executive Committee.

1.7. The Executive Committee, by agreement with the Supervisory Board, can form joint task groups of the Executive Committee and the Supervisory Board (for finalizing draft decisions of the Supervisory Board and reviewing proposals and comments made at the Supervisory Board meeting). The head of a joint task group shall be determined by the decision of the Supervisory Board.

2. MEMBERSHIP AND PROCEDURE OF FORMING THE EXECUTIVE COMMITTEE OF THE COMPANY

2.1. The Executive Committee shall be formed in the number to be fixed by the Supervisory Board. Members of the Executive Committee shall be approved by the Supervisory Board upon proposal of the Chief Executive Officer – Chairman of the Executive Committee of the Company. The term of powers of each member of the Executive Committee shall be fixed by a contract concluded with him and shall be limited by the term of powers of the Executive Committee approved by the Supervisory Board. The termination of powers of the Supervisory Board shall not cause the termination of powers of the Executive Committee and certain Executive Committee members. Members of the Executive Committee may be reelected unlimited number of times.

2.2. The Company shall provide its shareholders and all other interested parties with access to the information about personal composition of the Executive Committee, positions held by member of the Executive Committee in the Company and other organizations, share of stocks of the Company and its affiliates and controlled companies belonging to members of the Executive Committee by posting this information on the Company's website on the Internet.

2.3. The Supervisory Board may at any time decide on the termination of powers of an individual member of the Executive Committee or all members of the Executive Committee; on the change in the number of members of the Executive Committee; on the election of new members of the Executive Committee.

The Supervisory Board must decide on the termination of powers of a member of the Executive Committee upon his written application.

Powers of members of the Executive Committee shall arise and terminate upon making a relevant decision at a Supervisory Board meeting.

Termination of powers of a member of the Executive Committee who has a labor contract with the Company for the performance of other functions shall not be a basis for termination of the labor contract.

A member of the Executive Committee of the Company shall have the right to resign by submitting a written application to the Chief Executive Officer – Chairman of the Executive Committee of the Company in accordance with the requirements of the labor legislation.

2.4. The Supervisory Board shall determine personnel qualifications and other requirements to members of the Executive Committee. In this case, a member of the Executive Committee must have a higher education, be a highly qualified specialist in his field, have an impeccable reputation, have no criminal record for economic crimes or crimes against the state and morality.

A fulltime employee of the Company and a person who is not a fulltime employee of the Company may be a member of the Executive Committee.

2.5. A contract can be entered into with each member of the Executive Committee to determine additional working conditions, the procedure for determining the amount of remuneration, terms of compensation of expenses related to the performance of duties of a member of the Executive Committee, and the procedure for termination of the contract. On behalf of the Company, the contract shall be signed by the Chairman of the Supervisory Board, or any person authorized by the Supervisory Board. The Supervisory Board may at any time terminate the contract with a member of the Executive Committee. Terms of the contract shall be approved by the Supervisory Board.

3. RIGHTS, OBLIGATIONS AND LIABILITY OF MEMBERS OF THE EXECUTIVE COMMITTEE

3.1. Rights and obligations of members of the Executive Committee shall be determined by the legislation of the Russian Federation, the Articles of Association of the Company, the labor contract entered into by each member with the Company, and these Regulations.

3.2. While performing their functions, members of the Executive Committee shall have the right:

- within the plural executive body, to resolve matters of managing current operations of the Company;
- to participate in the meetings of the Executive Committee, freely express their opinion, vote on all items on the agenda, require their written separate opinion to be attached to the minutes of the meeting of the Executive Committee;
- to request and receive from the Company's structural subdivisions documents and information about the Company's activities on the matters within the competence of the Executive Committee;
- to make proposals to the agenda of meetings of the Executive Committee, call for extraordinary meetings;
- to express in writing his disagreement with the decisions of the Executive Committee and bring it to the attention of the Chief Executive Officer – Chairman of the Executive Committee and the Supervisory Board;
- to exercise any other rights stipulated by the legislation of the Russian Federation and the Articles of Association of the Company.

3.3. Members of the Executive Committee shall be obliged:

- to participate in meetings of the Executive Committee;
- to execute decisions made by the General Meeting of Shareholders, the Supervisory Board, the Executive Committee;
- to act for the benefit of the Company, exercise their rights and obligations in respect of the Company fairly and reasonably;
- to ensure confidentiality of the information that has become available to a member of the Executive Committee in the course of performing his duties,

- not to use insider information for personal purposes, not to transfer insider information to third parties, not to conduct transactions using insider information;
- to control the preparation and timely submission of materials to meetings of the Executive Committee on the issues they are supervising;
- members of the Executive Committee must inform the Supervisory Board of the number of securities they hold in the Company, its affiliates and controlled companies, and their intention to perform transactions with the shares of the Company, its affiliates and controlled companies, and the fact of acquisition (alienation) of such shares;
- to timely get acquainted with the contents of the Company's internal regulatory documents and comply with the requirements of these documents;
- to comply with the requirements of Article 82 of the Federal Law On Joint Stock Companies to notify the Company in the form prescribed by the Bank of Russia within two months from the date they learned or should have learned about the occurrence of the circumstances by virtue of which they may be deemed to be interested in the performance of transactions by the Company:
 - 1) about legal entities in respect of which they, their spouses, parents, children, brothers and sisters, half-brothers and half-sisters, adopters and adopted and (or) their controlled organizations are controlling persons or have the right to give binding instructions;
 - 2) about legal entities in the management bodies of which they, their spouses, parents, children, brothers and sisters, half-brothers and half-sisters, adopters and adopted and (or) their controlled persons hold positions;
 - 3) about known to them transactions performed by the Company or prospective transactions in which they can be recognized as interested parties.

Should the information specified in sub-clauses 1 and 2, paragraph 10, Clause 3.3 hereof be changed, upon receipt of the notification by the Company, members of the Executive Committee shall be obliged to notify the Company about the change of such information within 14 days from the day they learned or should have learned about such changes.

3.4. Members of the Executive Committee may hold positions in management bodies of other organizations only with the consent of the Supervisory Board.

3.5. Members of the Executive Committee shall bear responsibility to the Company for any losses caused to the Company through their faulty acts (omissions), unless other grounds and scope of responsibility are fixed by federal laws.

3.6. Provided those members of the Executive Committee who did not participate in voting or voted against the resolution of the Executive Committee that caused losses to the Company shall bear no responsibility.

3.7. The Chief Executive Officer – Chairman of the Executive Committee or another person on instructions from the Chief Executive Officer – Chairman of the Executive Committee shall represent the position of the Executive Committee at the General Meetings of Shareholders of the Company and at meetings of the Supervisory Board.

4. ARRANGEMENT OF WORK OF THE EXECUTIVE COMMITTEE OF THE COMPANY

4.1. Work of the Executive Committee of the Company shall be arranged by the Chief Executive Officer – Chairman of the Executive Committee.

4.2. The Chief Executive Officer – Chairman of the Executive Committee shall convene and preside at meetings of the Executive Committee:

- in accordance with the work plan of the Executive Committee;
- on the initiative of the Chief Executive Officer – Chairman of the Executive Committee;
- on the initiative of one of the Executive Committee members;
- by resolution of the Supervisory Board.

4.3. The Chief Executive Officer – Chairman of the Executive Committee shall approve:

- place, date and time of a meeting of the Executive Committee or deadline for accepting of filled in questionnaires of members of the Executive Committee on the items of the agenda;
- agenda of a meeting (absentee voting);
- speakers and supporting speakers on each matter;
- composition of persons invited to participate in the discussion of the items of the agenda of the Executive Committee meetings.

4.4. The Chief Executive Officer – Chairman of the Executive Committee shall preside at meetings, and in case of his temporary absence, the functions related to the organization of preparing and presiding at the Executive Committee meetings shall be exercised by one of the Executive Committee members – on the instruction of the Chief Executive Officer – Chairman of the Executive Committee of the Company.

4.5. The chair of the meeting of the Executive Committee shall sign the minutes of the meeting of the Executive Committee.

4.6. The Chief Executive Officer – Chairman of the Executive Committee shall ensure that the Executive Committee complies in its activity with the requirements of the legislation of the Russian Federation, the Articles of Association of the Company, and these Regulations, and shall perform other actions stipulated hereby.

4.7. The Chief Executive Officer – Chairman of Executive Committee shall appoint the Secretary of the Executive Committee who performs functions involving organization and information support of work of the Executive Committee of the Company.

4.8. The Secretary of the Executive Committee shall undertake:

- to form draft work plans of the Executive Committee;
- to prepare draft agenda of the meeting (absentee voting) of the Executive Committee;
- to ensure forming and execution of materials to be considered at meetings of the Executive Committee;
- to notify members of the Executive Committee about the meeting (absentee voting) of the Executive Committee by sending the agenda of the meeting and relevant materials;
- to provide organizational and technical support at the meeting (absentee voting) of the Executive Committee;
- to prepare minutes of the Executive Committee to be signed by the Chief Executive Officer – Chairman of the Executive Committee;
- to sign and bring to the attention of executors the decisions made by the Executive Committee, in the form of abstracts of minutes of the Executive Committee meeting certified by the Company seal;
- to keep minutes of the Executive Committee and keep the database of the Executive Committee minutes;
- to perform other actions ensuring work of the Executive Committee as stipulated hereby.

4.9. The Secretary of the Executive Committee shall be entitled:

- to call on the persons responsible for preparing materials for the meeting (absentee voting) of the Executive Committee to submit all the necessary documents within the prescribed time limits;
- to return to executors for revision draft decisions and materials for the meeting (absentee voting) of the Executive Committee prepared with violation of the procedure established hereby.
- to call on the executors to provide the information about decisions of the Executive Committee.

5. PROCEDURE FOR CONVENING AND HOLDING MEETINGS OF THE EXECUTIVE COMMITTEE

5.1. Meetings of the Executive Committee shall be held as and when necessary at least once a month.

5.2. Meetings of the Executive Committee shall be held and materials to meetings shall be prepared in accordance with the work plans approved by the Chief Executive Officer – Chairman of the Executive Committee.

5.3. The work plan of the Executive Committee shall be formed in accordance with the resolutions of the General Meeting of Shareholders, the Supervisory Board, the Articles of Association of the Company, proposals of the Chief Executive Officer – Chairman of the Executive Committee and members of the Executive Committee of the Company.

5.4. Work plans of the Executive Committee shall ordinarily contain:

- matters subject to consideration at meetings of the Executive Committee;
- period of holding meetings of the Executive Committee;
- list of persons responsible for preparing the matters for consideration at meetings of the Executive Committee.

5.5. Work plans of the Executive Committee shall be prepared according to the procedure as follows:

- a month before the end of the calendar year, members of the Executive Committee shall submit to the Secretary of the Executive Committee proposals on issues to be included in the work plan of the Executive Committee;
- two weeks before the end of the calendar year, the Secretary of the Executive Committee shall submit the formed plan for approval to the Chief Executive Officer – Chairman of the Executive Committee;
- the approved work plan of the Executive Committee shall be sent to members of the Executive Committee and persons holding managerial positions in the Company.

5.6. The agenda of the meeting of the Executive Committee shall be formed by the Secretary of the Executive Committee and approved by the Chief Executive Officer – Chairman of the Executive Committee of the Company.

5.7. The Chief Executive Officer – Chairman of the Executive Committee may supplement and amend the approved agenda of the meeting and work plan of the Executive Committee.

5.8. By decision of the Chief Executive Officer – Chairman of the Executive Committee, meetings of the Executive Committee shall be held by joint presence of members of the Executive Committee (attendee meeting) or by absentee voting (questionnaires), offsite meetings of the Executive Committee of the Company may be also held. Meetings held through videoconferencing (i.e. meetings during which members of the Executive Committee located in different places have the opportunity through videoconferencing to see and hear the speaker, ask questions to the speaker, make proposals on draft decisions on the issue under consideration) shall be meetings held by joint presence (attendee meeting). The venue for the meeting through videoconferencing shall be the place where the chair of the meeting of the Executive Committee is located.

5.9. Resolutions of the Executive Committee shall be eligible (quorum for a meeting is present) if at least half of the total number of its members participated in the consideration of such resolutions.

Quorum for the meeting of the Executive Committee shall be fixed by the Secretary of the Executive Committee in the draft minutes of the meeting of the Executive Committee.

5.10. All decisions shall be made by the Executive Committee by simple majority of votes of the Executive Committee members attending the meeting.

5.11. When making decisions, each member of the Executive Committee shall have one vote.

No vote transfer by a member of the Executive Committee to another member of the Executive Committee and to any other person shall be allowed.

In case of equality of votes of members of the Executive Committee, the vote of the Chief Executive Officer – Chairman of the Executive Committee shall be casting.

5.12. When conducting a meeting of the Executive Committee, the Secretary of the Executive Committee, no later than two (2) work days upon the approval of the agenda of the next meeting of the Executive Committee shall send (including by fax, e-mail) to members of the Executive Committee the agenda of the meeting signed by the Chief Executive Officer – Chairman of the Executive Committee, indicating the place, date and time of the meeting. Materials to the meeting of the Executive Committee of the Company shall be sent to members of the Executive Committee for prior acquaintance not later than 10 (ten) days prior to the date of the meeting.

5.13. Items on the agenda of the meeting of the Executive Committee shall be discussed at meetings of the Executive Committee.

In exceptional cases, on the initiative of the Chief Executive Officer – Chairman of the Executive Committee, at meetings of the Executive Committee additional items may be included in the agenda should they be approved by the majority of the Executive Committee members attending the meeting.

The procedure of preparing, coordinating draft decisions of the Executive Committee, as well as monitoring the implementation of decisions of the Executive Committee shall be determined by the internal document approved by the Executive Committee.

5.14. Items on the agenda of the meeting of the Executive Committee shall be considered in the sequence as follows:

- speech of a member of the Executive Committee, head of subdivision or invitee with a report on the item of the agenda of the meeting;
- speaker's answers to questions of members of the Executive Committee;
- discussion of the item of the agenda of the meeting;
- proposals for a draft decision on the issue under consideration;
- voting on the decision to be made;
- counting of votes and summarizing the voting results;
- announcement of voting results and decision taken on the item of the agenda of the meeting.

5.15. At the meeting of the Executive Committee of the Company, the time for speeches shall be set within 10 minutes, for supporting speeches and debates on the items of the agenda – up to 5 minutes, for references – up to 3 minutes.

By the decision of the chair of the meeting, the duration of speeches, supporting speeches, debates and provision of references can be changed.

5.16. In case of absentee voting of the Executive Committee, the Secretary of the Executive Committee of the Company shall provide members of the Executive Committee with a questionnaire.

A questionnaire must contain:

- decision of the Chief Executive Officer – Chairman of the Executive Committee in accordance with which absentee voting is held;
- wording of the item of the agenda;
- wording of the draft decision;
- voting options (“for”, “against”, “abstain”);
- indication of the need to fill only one of voting options;
- description of the way of filling of the voting option (cross out, underline);
- reminder to sign the questionnaire;
- indication of the end of voting;
- mailing address, e-mail or fax where to send the questionnaire.

5.17. Quorum for decision-making by holding absentee voting shall be determined based on the questionnaires filled in and signed by members of the Executive Committee and received by the Secretary of the Executive Committee.

5.18. Based on the questionnaires, the Secretary of the Executive Committee shall summarize the results of the absentee voting and submit the minutes to be signed by the Chief Executive Officer – Chairman of the Executive Committee.

5.19. The materials provided to members of the Executive Committee and invitees to the meeting must be returned after the meeting to the Secretary of the Executive Committee or destroyed under the responsibility of the person who received such materials.

6. MINUTES OF THE EXECUTIVE COMMITTEE

6.1. The minutes of the Executive Committee of the Company shall be drawn up and signed by the Secretary of the Executive Committee and submitted for signature to the Chief Executive Officer – Chairman of the Executive Committee within 5 (five) work days after the meeting (absentee voting) of the Executive Committee of the Company.

6.2. The minutes of a meeting (absentee voting) of the Executive Committee must contain:

- full firm-name of the Company;
- information about the place, date, time and form of work (meeting or absentee voting);
- list of members of the Executive Committee who attended the meeting (participated in absentee voting);
- list of invited persons;
- agenda of the meeting;
- issues put to vote and voting results with names (voting results are not indicated in the minutes if the decision is made unanimously);
 - content of the separate opinion expressed during the discussion of the issue shall be recorded in the minutes after the text of the decision made on this issue.

6.3. Minutes of the Executive Committee shall be kept by the Secretary of the Executive Committee.

6.4. Decisions of the Executive Committee shall be brought to the attention of the executives in charge in the form of the extracts from the minutes of the Executive Committee on certain issues signed by the Secretary of the Executive Committee.

6.5. Minutes of the Executive Committee may be submitted to members of the Supervisory Board, Auditing Committee and Auditor of the Company on their written request to the address of the Chief Executive Officer – Chairman of the Executive Committee.

6.6. Minutes of the Executive Committee shall be kept at the place of location of the executive authority of the Company in accordance with the rules in force.

7. MONITORING EXECUTION OF DECISIONS OF THE EXECUTIVE COMMITTEE

7.1. The Secretary of the Executive Committee shall control the timely submission of materials to meetings of the Executive Committee.

If materials are not submitted to the meeting of the Executive Committee on time and/or if this procedure is violated, the decision to submit the matter to a meeting of the Executive Committee with the violation of the deadline for submitting materials to meetings of the Executive Committee, postponement of the consideration period or withdrawal of the issue from consideration shall be made by the Chief Executive Officer – Chairman of the Executive Committee, and the executives in charge can be brought to disciplinary responsibility.

7.2. The Chief Executive Officer – Chairman of the Executive Committee shall monitor the execution of decisions of the Executive Committee.

7.3. Materials to the meeting (absentee voting) of the Executive Committee and minutes of the Executive Committee may be classified as confidential information or contain commercially sensitive information of the Company. In this case, admission to meetings of the Executive Committee, preparing materials and drawing up the minutes shall be carried out in compliance with the requirements established by the Company to the protection of the commercially sensitive information of the Company. Such materials and minutes of meetings of the Executive Committee (extracts from the minutes) shall be marked as “confidential”.

7.4. The information about decisions of the Executive Committee may be provided to mass media by the Chief Executive Officer – Chairman of the Executive Committee or members of the Executive Committee – on instructions from the Chief Executive Officer – Chairman of the Executive Committee.

8. FINAL PROVISIONS

8.1. If in result of changing of the effective law some provisions of these Regulations come into a conflict with mandatory legal provisions, such provisions of these Regulations shall become invalid and legal provisions shall be applied. The provisions of the Regulations contradicting the current legislation shall have no effect on the validity of other provisions of these Regulations, and the Company shall take all the necessary measures in order to bring these Regulations in compliance with the provisions of the legislation.

8.2. In the event of any conflict between these Regulations and the Articles of Association of the Company, the Articles of Association of the Company shall prevail.

8.3. Upon approval of these Regulations, the Regulations on the Executive Committee of PJSC ALROSA approved by the resolution of the Annual General Meeting of Shareholders of the Company dated June 25, 2015 (Minutes No. 33) shall become invalid.