



API Voting Recommendations for Annual General Meeting

Company: **PJSC ALROSA (ALRS)**

Meeting date: **June 30, 2017**

Record date: **June 6, 2017**

Company Overview

ALROSA is a Russian group of diamond mining companies, the global leader in rough diamond mining, with the world's largest rough diamond reserves. ALROSA Group is engaged in the exploration, mining, processing and sales of rough diamonds. The Group's activity is concentrated in two Russian regions (the Sakha Republic / Yakutia and Arkhangelsk region) and in the African continent.

The Company's authorized capital consists of 7,364,965,630 ordinary registered shares with a face value of 50 kopecks each.

As of December 31, 2016, the Company's shareholding structure is as follows:

- Russia's Federal Agency for State Property Management (Rosimushchestvo), on behalf of the Russian Federation: 33.0256%;
- The Ministry of Property and Land Relations of the Sakha Republic (Yakutia), on behalf of the Sakha Republic (Yakutia): 25.0002%;
- Other legal entities and physical persons (free float): 33.9739%;
- Local government bodies of the districts (uluses) of the Sakha Republic (Yakutia) in which the joint-stock company is operating: 8.0003%.

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No.	AGM agenda item	API recommendation
1.	Approval of the annual report of PJSC ALROSA	FOR
2.	Approval of the annual accounting (financial) statements of PJSC ALROSA	FOR
3.	Approval of the profit distribution of PJSC ALROSA based on the Company's performance in 2016	FOR
4.	Amount, time, form of payment and record date for 2016 dividends	FOR
5.	Payment of remuneration to Supervisory Board members (except for public officers) for the service on the Supervisory Board in the amount determined by the internal regulations of PJSC ALROSA	FOR
6.	Payment of remuneration to Auditing Committee members (except for public officers) for the service on the Auditing Committee in the amount	FOR

	determined by the internal regulations of PJSC ALROSA	
7.	Election of the Supervisory Board members of PJSC ALROSA	API recommends voting FOR Maria Gordon and Oleg Fedorov (independent directors)*
8.	Election of the Auditing Committee members of PJSC ALROSA	API recommends voting FOR all the candidates
9.	Approval of the auditors of PJSC ALROSA	ABSTAINED**
10.	Amendments to the Charter of PJSC ALROSA	FOR
11.	Amendments to the Regulations on the General Shareholders Meeting of PJSC ALROSA	FOR
12.	Amendments to the Regulations on the Supervisory Board of PJSC ALROSA	FOR
13.	Amendments to the Code of Corporate Governance of PJSC ALROSA	FOR

* The API recommends that the shareholders vote FOR the independent directors Maria Gordon and Oleg Fedorov nominated by the API members that are institutional and portfolio investors. The guaranteed election of 2 independent directors by the votes of minority shareholders requires at least 5.5% of the voting power for each of the independent directors, or 11% of the shareholders' votes for both. Based on the average historical percentage of the minority shareholders participating in shareholders meetings (about 42% of the free float in the last 3 years), about 80% of the active shareholders need to vote. Both candidates supported by the API currently serve as effective independent directors; the independent appraisal of the corporate governance system at PJSC ALROSA is available at: <http://api-russia.org/content/evaluation-corporate-governance-state-owned-companies-joint-research-api-and-higher-school>.

** The Company does not disclose information on the results of the independent auditor selection, as well as information on the cost of audit and non-audit services. Therefore, we recommend that the shareholders vote ABSTAINED.

In-depth AGM agenda review:

1-2	AGM agenda item	API recommendation
1.	Approval of the annual report of PJSC ALROSA	FOR
2.	Approval of the annual accounting (financial) statements of PJSC ALROSA	FOR

AGENDA ITEMS 1-2 DETAILS:

The annual report of PJSC ALROSA for 2016 contains information on the key performance indicators achieved in 2016, development prospects, a description of the key risk factors, information on related party transactions (**313 deals for a total amount of RUB 67,098.1 million**), as well as a report on compliance with the Corporate Governance Code recommended for application by the Bank of Russia.

The reliability of the accounting (financial) statements of PJSC ALROSA according to Russian Accounting Standards and the consolidated financial statements of PJSC ALROSA and its subsidiaries according to International Financial Reporting Standards is confirmed by an audit report of JSC PricewaterhouseCoopers Audit.

Please find below ALROSA Group's key financial and operational performance indicators according to IFRS standards:

Item	2015	2016	Change, y-o-y
Revenue, million rubles	224,524	317,090	41.2%
Operating expenses, million rubles	93,240	129,751	39.2%
Gross profit, million rubles	130,075	186,130	43.1%
Profit for the period, million rubles	32,192	133,471	314.6%
Profit margin, %	14.3	42.1	24.8 p.p.
Basic earnings per share, rubles	4.17	17.85	328.1
EBITDA, million rubles	118,498	176,418	48.9%
EBITDA margin, %	52.8	55.6	5.3 p.p.
Net debt, million rubles	202,656	111,925	-44.8%
Net debt / EBITDA ratio	1.7	0.6	-1.1

As a result of the diamond market recovery, the Group improved its financial performance indicators. The diamond segment was the main revenue growth driver in 2016. The share of revenues from diamond sales increased to 92.7% in 2016 against 89.6% in 2015.

The 39.2% increase in the cost of goods sold in 2016 correlates with the growth of sales and is attributable to the following factors: higher expenses for salaries due to their indexation by a percentage commensurate with the inflation rate, higher amortization expenses in the wake of growing diamond mining and the commissioning of new equipment, an increase in prices of materials by a percentage commensurate with the inflation rate.

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DRAFT RESOLUTION ON AGENDA ITEMS 1-2:

ITEM 1. Approve the annual report of PJCS ALROSA for 2016.

ITEM 2. Approve the annual accounting (financial) statements for 2016.

3-4	AGM agenda item	API recommendation
3.	Approval of the profit distribution of PJSC ALROSA based on the Company's performance in 2016	FOR
4.	Amount, time, form of payment and record date for 2016 dividends	FOR

AGENDA ITEMS 3-4 DETAILS:

When determining the amount of dividends subject to the Government of Russia's executive order no. 705-r dated April 18, 2016, the company is guided by the rule that the amount earmarked for dividends cannot be below 50 per cent of the Company's net profit according to the Russian Accounting Standards (unadjusted for the income and expenditure associated with the revaluation of securities of subsidiaries traded in the market and the related profits tax) or 50 per cent of the Company's net profit according to the consolidated financial statements in terms of IFRS, whichever is the greater.

It is proposed that the Company allocate RUB 65,769,143,075.90 for dividends, which is 50.06% of the net profit according to IFRS or 72.26% of the net profit according to RAS adjusted for the value of financial investments.

The dividend per one placed ordinary registered share of PJSC ALROSA with a face value of 50 kopecks shall be 8 rubles 93 kopecks.

DRAFT RESOLUTION ON AGENDA ITEMS 3-4:

ITEM 3:

Allocate the net profit earned by PJSC ALROSA in 2016 as follows:

Distributable net profit, total:	RUB 148,657,464 thousand
net profit less of earnings from adjusting the value of financial investments:	RUB 90,915,549 thousand
dividends:	RUB 65,769,143 thousand
profit left available for PJSC ALROSA before paying remuneration to the Supervisory Board members of PJSC ALROSA:	RUB 25,146,406 thousand

ITEM 4:

1) Pass a resolution on (declare) the 2016 dividend payment in the amount of eight (8) rubles ninety-three (93) kopecks per one placed ordinary registered share of PJSC ALROSA with a face value of 50 (fifty) kopecks.

2) Establish the following payment procedure for the 2016 dividends:

- dividends to the shareholders of PJSC ALROSA included in the list of persons entitled to dividends shall be paid in cash by transfer of funds from ALROSA's account or, where a paying agent is involved, by postal or bank transfer from the paying agent's account;

- dividends to private shareholders who did not indicate the preferred way of receiving dividends in the shareholder registration form shall be paid by postal transfer;

- the amount of accrued dividends calculated proceeding from the amount of dividend per share of PJSC ALROSA or in accordance with the ownership percentage of PJSC ALROSA share(s) shall be determined within the accuracy of one kopeck;

- should the transferred dividends be returned because of incorrect payment or other details, the repeated payment of dividends shall not be effected until information on changes made to such payment and other details is provided to the register holder of PJSC ALROSA and the shareholders' register of PJSC ALROSA is amended accordingly;

- the remittance fees for bank and/or postal transfers of dividends shall be paid at the expense of PJSC ALROSA.

Set July 20, 2016 as the dividend record date, i.e. the date as of which the persons entitled to receive dividends shall be determined.

5.	AGM agenda item	API recommendation
	Payment of remuneration to Supervisory Board members (except for public officers) for the service on the Supervisory Board in the amount determined by the internal regulations of PJSC ALROSA	FOR

AGENDA ITEM 5 DETAILS:

The remuneration of Supervisory Board members shall be calculated according to the Regulations on Remuneration to Members of the Supervisory Board of PJSC ALROSA.

The amount of remuneration for participation in the work of the Supervisory Board payable to each Supervisory Board member shall be calculated taking into account the total number of the Supervisory Board meetings held during the previous corporate year, as of March 31 of the current year and the number of the meetings attended by the respective Supervisory Board member.

Taking into account the structure of Supervisory Board members' participation in the work of the Supervisory Board and the performance by them of additional duties as chairs of the Supervisory Board and its committees, the total remuneration is RUB 43,254,545.

DRAFT RESOLUTION ON AGENDA ITEM 5:

Pay remuneration to the Supervisory Board members of PJSC ALROSA (except for public officers) for the service on the

Supervisory Board in the 2016–2017 corporate period (year), in the amount and in the manner determined in accordance with the Regulations on Remuneration to Members of the Supervisory Board of PJSC ALROSA.

6.	AGM agenda item	API recommendation
	Payment of remuneration to Auditing Committee members (except for public officers) for the service on the Auditing Committee in the amount determined by the internal regulations of PJSC ALROSA	FOR

AGENDA ITEM 6 DETAILS:

In the 2016–2017 corporate year, 5 members were elected to the Auditing Committee, 4 of them being public officers. Under the Regulations on Remuneration to members of the Auditing Committee of PJSC ALROSA (hereinafter referred to as the Regulations), no remuneration shall be paid to the Chair and members of the Auditing Committee possessing the status of a public or municipal officers under the effective laws of the Russian Federation.

Therefore, only Maria Mikhina is entitled to remuneration for the service on the Auditing Commission. Serving as adviser to Head of Russia's Federal Agency for State Property Management (Rosimushchestvo) until 2016, she is currently employed as Head of the Internal Audit Service at JSC United Shipbuilding Corporation (USC).

According to item 4.1.3. of the Regulations, the amount of actual remuneration payable to a member of the Auditing Committee, except for the Chair of the Auditing Committee, cannot exceed 20% of the average remuneration payable to the Company's professional director for the year.

DRAFT RESOLUTION ON AGENDA ITEM 6:

Pay remuneration to the Auditing Committee members of PJSC ALROSA (except for public officers) for the service on the Auditing Committee in the 2016–2017 corporate period (year), in the amount and in the manner determined in accordance with the Regulations on Remuneration to Members of the Auditing Committee of PJSC ALROSA.

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7.	AGM agenda item	API recommendation
	Election of the Supervisory Board members of PJSC ALROSA	API recommends voting FOR Maria Gordon and Oleg Fedorov (independent directors supported by the API)

AGENDA ITEM 7 DETAILS:

According to the Company's Charter, the Supervisory Board shall consist of 15 members. The shareholders have nominated 21 candidates, 11 of them are current Board members (italicized below).

[Maria Gordon](#) and [Oleg Fedorov](#) supported by the API meet all director independence criteria. They are highly skilled professionals with extensive experience of serving on the Boards of Directors of Russian companies and current active members of the Company's Supervisory Board.

The independent appraisal of the corporate governance system at PJSC ALROSA is available at: <http://api-russia.org/content/evaluation-corporate-governance-state-owned-companies-joint-research-api-and-higher-school>.

Despite one of the highest scores of performance of independent directors at SOEs awarded by API experts and a HSE division, the Russian Federation, for unknown reasons, pursuant to a non-transparent bureaucratic procedure, has not nominated any of the current independent directors as Supervisory Board candidates for election at the 2017 Annual General Meeting. Given a complete change of the Company's management team, the API advocates the continuity of the current independent directors with the aim of ensuring the proper development of the Company's strategy, KPIs and remuneration system. Accordingly, the API members relying, inter alia, on support from Russia's Ministry of Finance as regards the need to nominate and elect independent directors by institutional investors have nominated 2 most active independent directors. The API has elected one independent director for 2 years; now that the Company's

free float has increased to 33.97% and the average voting percentage was about 42% of the total free float in the last 3 years, the API believes that 2 independent directors can be elected with the support of institutional and portfolio investors. This requires at least 11% of the shareholders' votes, provided that the votes are distributed equally between both candidates (5.5% for each candidate).

No.	Name	Nominated by	Office / position (at the primary place of employment)	Status
1.	<i>Petr Alekseev</i>	<i>Ministry of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>General Director, RIC JSC</i>	<i>Non-executive director</i>
2.	<i>Sergey Barsukov</i>	<i>The Russian Federation represented by the Federal Agency for State Property Management (Rosimushchestvo)</i>	<i>Director of the Financial Policy Department, Ministry of Finance of the Russian Federation</i>	<i>Non-executive director</i>
3.	Georgy Basharin	Governments of municipal entities of the Sakha Republic (Yakutia): Vilyuisky Ulus (District), Mirninsky district, Lensky district	First Deputy Head of the government of the municipal district Mirninsky Ulus (District) of the Sakha Republic (Yakutia)	Non-executive director
4.	<i>Yegor Borisov</i>	<i>Ministry of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>Head of the Sakha Republic (Yakutia)</i>	<i>Non-executive director</i>
5.	<i>Alexander Galushka</i>	<i>The Russian Federation represented by Rosimushchestvo</i>	<i>Minister for the Development of the Russian Far East</i>	<i>Non-executive director</i>
6.	<i>Maria Gordon*</i>	<i>Shareholders which own more than 2% of the Company's shares**</i>	<i>No data available</i>	<i>Independent director</i>
7.	<i>Evgenia Grigorieva</i>	<i>Ministry of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>Minister of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>Non-executive director</i>
8.	Andrey Guryev	The Russian Federation represented by Rosimushchestvo	CEO, PJSC PhosAgro	Independent director
9.	<i>Galina Danchikova</i>	<i>Ministry of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>Deputy of the State Duma of the Federal Assembly of the Russian Federation***</i>	<i>Non-executive director</i>
10.	Kirill Dmitriev	The Russian Federation represented by Rosimushchestvo	CEO, RDIF Management Company LLC	Non-executive director
11.	Sergey Ivanov	The Russian Federation represented by Rosimushchestvo	President, PJSC ALROSA	Executive director
12.	Valentina Kondratyeva	Ministry of Property and Land Relations of the Sakha Republic (Yakutia)	Head of the state autonomous institution "Center for Strategic Research of the Sakha Republic (Yakutia)"	Non-executive director
13.	Dmitry Konov	The Russian Federation represented by Rosimushchestvo	Chairman of the Management Board, PJSC SIBUR Holding	Independent director
14.	<i>Valentina Lemesheva</i>	<i>Ministry of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>No data available</i>	<i>Independent director</i>
15.	Galina Makarova	Ministry of Property and Land Relations of the Sakha Republic (Yakutia)	No data available	Independent director
16.	Sergey Mestnikov	Ministry of Property and Land Relations of the Sakha Republic (Yakutia)	CEO, Non-profit organization "Special Purpose Fund for Future Generations of the Sakha Republic / Yakutia"	Non-executive director
17.	Andrey Panov	Ministry of Property and Land Relations of the Sakha Republic (Yakutia)	Minister of Industry and Geology of the Sakha Republic (Yakutia).	Non-executive director

18.	<i>Anton Siluanov</i>	<i>The Russian Federation represented by Rosimushchestvo</i>	<i>Minister of Finance of the Russian Federation</i>	<i>Non-executive director</i>
19.	<i>Oleg Fedorov*</i>	<i>Shareholders which own more than 2% of the Company's shares**</i>	<i>No data available</i>	<i>Independent director</i>
20.	<i>Evgeny Chekin</i>	<i>Ministry of Property and Land Relations of the Sakha Republic (Yakutia)</i>	<i>Chairman of the Government of the Sakha Republic (Yakutia).</i>	<i>Non-executive director</i>
21.	<i>Alexey Chekunkov</i>	<i>The Russian Federation represented by Rosimushchestvo</i>	<i>General Director, Far East and Baikal Region Development Fund JSC</i>	<i>Non-executive director</i>

Members of the Supervisory Board are elected by cumulative voting.

* The API officially supports this candidate at the AGM.

** East Capital for and on behalf of East Capital Russia;
East Capital for and on behalf of East Capital Eastern Europe;
Genesis Asset Managers, LLP, acting on behalf of the following companies:

- The Genesis Emerging Markets Investment Company;
- Genesis Emerging Markets, L.P.;
- Genesis Emerging Markets Fund Limited;
- The Genesis Group Trust for Employee Benefit Plans;
- Genesis Emerging Markets Business Trust.

*** according to the Federal law "On the status of a member of the Federation Council and the status of a deputy of the State Duma of the Federal Assembly of the Russian Federation," a State Duma deputy is not allowed to participate in the management/governance of an economic entity or another business entity, including the service on the governance bodies of business entities where a special personal expression of will is indispensable. The failure to comply with this requirement entails early termination of the deputy's powers. The meeting-related materials include reference to Ms. Danchikova's consent to be elected to the Supervisory Board.

Details on the API liaison with independent directors are provided on the API website at: <http://api-russia.org>.

All independent directors backed by the API are open to direct contact with shareholders; please [contact us](#) for further information.

DRAFT RESOLUTION ON AGENDA ITEM 7:

Elect the following nominees to the Supervisory Board of PJSC ALROSA:

1. *Petr Alekseev*
2. *Sergey Barsukov*
3. *Georgy Basharin*
4. *Yegor Borisov*
5. *Alexander Galushka*
6. *Maria Gordon*
7. *Evgenia Grigorieva*
8. *Andrey Guryev*
9. *Galina Danchikova*
10. *Kirill Dmitriev*
11. *Sergey Ivanov*
12. *Valentina Kondratyeva*
13. *Dmitry Konov*
14. *Valentina Lemesheva*
15. *Galina Makarova*
16. *Sergey Mestnikov*
17. *Andrey Panov*

18. Anton Siluanov
19. Oleg Fedorov
20. Evgeny Chekin
21. Alexey Chekunkov

8.	AGM agenda item	API recommendation
	Election of the Auditing Committee members of PJSC ALROSA	API recommends voting FOR all the candidates

AGENDA ITEM 8 DETAILS:

According to the Company's Charter, the Auditing Committee shall consist of 5 members. The shareholders have only nominated 4 candidates. However, according to the Regulations, three Auditing Committee members should be in attendance for passing resolutions by the Committee; where votes are divided equally, the Chair of the Committee shall cast the deciding vote. The API is ready to recommend the Company's shareholders (institutional and portfolio investors) to nominate an independent expert to the Auditing Committee in preparation for the 2018 Annual General Meeting.

No.	Name	Office / position (at the primary place of employment)
1.	Anna Vasilyeva	Head of the Department of Rough and Polished Diamond Complex Property, Financial, Credit and Insurance Organizations, Ministry of Property and Land Relations of the Sakha Republic (Yakutia)
2.	Alexander Vasilchenko	Deputy Director of the Corporate Governance Department, Ministry of Economic Development of the Russian Federation
3.	Dmitry Vladimirov	Head of division at the Department of Property Relations and Privatization of Major Organizations, Federal Agency for State Property Management
4.	Viktor Pushmin	Deputy Minister of Finance of the Sakha Republic (Yakutia)

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Auditing Committee members are elected by a simple majority of votes.

DRAFT RESOLUTION ON AGENDA ITEM 8:

Elect the following nominees to the Auditing Committee of PJSC ALROSA:

1. Anna Vasilyeva
2. Alexander Vasilchenko
3. Dmitry Vladimirov
4. Viktor Pushmin

9.	AGM agenda item	API recommendation
	Approval of the auditors of PJSC ALROSA	ABSTAINED

AGENDA ITEM 9 DETAILS:

According to the materials provided for the meeting, in 2016, the Company held two open tenders for the right to conclude a contract for the mandatory auditing of the Company's 2016-2018 accounting (financial) statements prepared in accordance with the Russian laws and the consolidated 2016-2018 financial statements of ALROSA Group prepared in accordance with International Financial Reporting Standards (IFRS). However, information on the other open tender participants, their bids and other significant aspects of the auditor selection procedure remained

undisclosed. We recommend that the Company include these data, as well as information on the price of services, (including, if any, non-audit services) offered by the winning bidder, in materials prepared for the general shareholders meeting. Given insufficiency of disclosure, we recommend that the shareholders abstain in voting on this agenda item.

DRAFT RESOLUTION ON AGENDA ITEM 9:

1. Approve JSC PricewaterhouseCoopers Audit as the auditor of PJSC ALROSA for the mandatory auditing of accounting (financial) statements of PJSC ALROSA prepared in accordance with the Russian laws and under the Russian Accounting Standards (RAS) based on the results of 2016–2018.
2. Approve JSC PricewaterhouseCoopers Audit as the auditor of PJSC ALROSA for the mandatory auditing of consolidated financial statements of ALROSA Group prepared in accordance with the International Financial Reporting Standards based on the results of 2016–2018.

10.	AGM agenda item	API recommendation
	Amendments to the Charter of PJSC ALROSA	FOR

AGENDA ITEM 10 DETAILS:

The proposed amendments to the Charter are mostly aimed at bringing its provisions in compliance with the legal innovations (including the procedure for agreeing major transactions and related party transactions, the procedure for exercising the rights attributed to securities by owners whose rights to such securities are recorded by nominal holders, the possibility of electronic voting at general shareholders meetings, etc.), as well as recommendations of the Corporate Governance Code and the corporate governance practices at the Company.

The most controversial amendment is the Company's proposal to lower the threshold for resolutions on the payment of dividends. On the one hand, according to clause 11.2.3 of the Charter, this issue is subject to approval by a three-quarter majority vote of the Supervisory Board members (clause 12.1.3 sub-clause 4 of the Charter); on the other hand, according to clause 12.1.1 sub-clause 11 of the Charter, issues related to preparation for shareholders meetings, including recommendations on the amount of dividends, shall be subject to approval by a simple majority vote of the Supervisory Board members participating in the meeting.

Given an obvious contradiction, the Company proposes stating unequivocally that resolutions on the payment of dividends shall be passed by a simple majority of votes.

At first glance, from the perspective of independent directors' possible influence on decision-making, taking into account the Corporate Governance Code recommendations, this amendment is inconsistent with the best practices and weakens the influence of independent directors. The $\frac{3}{4}$ majority requirement assumes that a resolution should be approved by 12 out of 15 Supervisory Board members – which means that 4 independent directors, in theory, can vote down a resolution. But generally, if the Supervisory Board members representing the Russian Federation align themselves with those representing Yakutia, independent directors supported by the other shareholders are not in a position to influence decision-making even if the issue is subject to approval by $\frac{3}{4}$ of the votes.

That said, PJSC ALROSA's shareholding structure is not typical for Russia, with 2 principal owners holding 33% of the shares each and a free float of 33.98%. Each of the principal shareholders can elect 6 to 8 representatives, depending on the activity of institutional and portfolio investors. Accordingly, if shareholders support the passing of resolutions on the payment of dividends by a simple majority of votes, independent directors are still in a position to influence the final decision in case the Sakha Republic (Yakutia) and the Russian Federation differ in opinion on the profit distribution and the payment of dividends. A review of the Company's corporate governance experience in the past 2 years based on the disclosure of information shows that the positions of the Sakha Republic and the Russian Federation do not always coincide.

Therefore, we consider it possible to accept the Company's proposal to amend the Charter.

DRAFT RESOLUTION ON AGENDA ITEM 10:

Approve amendments to the Charter of PJSC ALROSA (Annex 1).

11.	AGM agenda item	API recommendation
	Amendments to the Regulations on the General Shareholders Meeting of PJSC ALROSA	FOR

AGENDA ITEM 11 DETAILS:

The new version of the document brings it in compliance with the recent amendments to the current legislation and the amendments to the Charter proposed for approval at the general meeting.

The proposed Regulations formalize the opportunity of electronic voting at general shareholders meetings by filling in electronic ballots on the website specified in the notice on the general shareholders meeting.

The version of the document proposed for approval contains no innovations prejudicing the interests or restricting the rights of shareholders.

DRAFT RESOLUTION ON AGENDA ITEM 11:

Approve amendments to the Regulations on the General Shareholders Meeting of PJSC ALROSA (Annex 2).

12.	AGM agenda item	API recommendation
	Amendments to the Regulations on the Supervisory Board of PJSC ALROSA	FOR

AGENDA ITEM 12 DETAILS:

The Regulations oblige Supervisory Board members to submit notices of related party transactions to the Company as provided for by section 11 article 82 of the Federal law "On Joint-Stock Companies."

The version of the document proposed for approval contains no innovations prejudicing the interests or restricting the rights of shareholders.

DRAFT RESOLUTION ON AGENDA ITEM 12:

Approve amendments to the Regulations on the Supervisory Board of PJSC ALROSA (Annex 3).

13.	AGM agenda item	API recommendation
	Amendments to the Code of Corporate Governance of PJSC ALROSA	FOR

AGENDA ITEM 13 DETAILS:

The amendments to the Code reflect a revision in the terms of the Federal Law "On Joint-Stock Companies" as regards related party transactions and major transactions. The term "approval" in relation to such transactions has been replaced by "decision-making on consent or subsequent approval."

The version of the document proposed for approval contains no innovations prejudicing the interests or restricting the rights of shareholders.

DRAFT RESOLUTION ON AGENDA ITEM 13:

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Approve amendments to the Code of Corporate Governance of PJSC ALROSA (Annex 4).

The AGM Voting Recommendations are based, among other things, on the Annual General Meeting reference materials published on the website of PJSC ALROSA. For questions and/or comment, please contact us at: +7 (495) 510-5306 or via email: polovnev@api-russia.org