

THE COMPANY

has the Audit Committee of the Board of Directors in place

The members of the Audit Committee are:

- ▶ Joel Lautier (Independent Director) – Chairman;
- ▶ Vladimir Grubenko (Independent Director).

THE COMMITTEE HAS THE FOLLOWING FUNCTIONS.

With regard to accounting (financial) and consolidated financial statements of the Company:

- ▶ monitoring completeness, accuracy, and reliability of the Company's accounting (financial) and consolidated financial statements;
- ▶ analysing existing aspects of the Company's accounting policy;
- ▶ participating in review of significant issues relating to the Company's accounting (financial) and consolidated financial statements.

With regard to risk management, internal control, and corporate governance:

- ▶ monitoring reliability and efficiency of risk management, internal control, and corporate governance systems, including evaluating efficiency of the Company's risk management and internal control procedures and corporate governance practice and developing the proposals to improve them;
- ▶ analysing and evaluating the Company's policy relating to risk management and internal control;
- ▶ reviewing a necessity to establish a separate department/service (if not available) to manage the risks and submitting the results of the review to the Company's Board of Directors;
- ▶ reviewing the activities and budget plan of the Risk Management Department (service);
- ▶ reviewing the issues on appointment, termination, and remuneration of the Head of the Risk Management Department (service);
- ▶ monitoring the procedures on compliance with the Russian Federation legislation, ethical standards, internal rules and procedures, exchanges requirements;
- ▶ analysing and evaluating implementation of the Company's policy on conflicts of interest management.

With regard to internal and external audits:

- ▶ ensuring independence and objectivity of the internal audit function;
- ▶ reviewing the Company's policy relating to internal audit (Regulations on Internal Audit);
- ▶ reviewing a necessity to establish a separate department/service (if not available) for internal audit and submitting the results of the review to the Company's Board of Directors;
- ▶ reviewing the activities and budget plan of the Internal Audit Department (service);
- ▶ reviewing the issues on appointment, termination, and remuneration of the Head of the Internal Audit Department (service);
- ▶ reviewing existing restrictions of powers or budgets for internal audit, which can adversely affect the internal audit functions;
- ▶ analysing and evaluating internal audit functions efficiency;
- ▶ evaluating independence and objectivity of the internal audit function, as well as absence of conflicts of interest between the external auditors of the Company, including assessing the candidates to the Company's auditors, developing the proposals on approval and dismissal of external auditors, services payment and terms of participation;
- ▶ supervising external audit and evaluating quality of audit and conclusions;
- ▶ ensuring effective interaction between the Internal Audit Department (Service) and external auditors of the Company;
- ▶ developing the Company's policy in relation to audit services rendered to the Company and monitoring its implementation.

With regard to countering unlawful and/or unfair practices of the Company's employees or third parties:

- ▶ evaluating and monitoring efficiency of the system informing about potential cases of unfair practices of the Company's employees or third parties or other violations in the Company;
- ▶ supervising special investigations of potential fraud cases and misuse of insider or confidential information;
- ▶ monitoring the measures taken by the executive bodies or other key executives of the Company to address the information about potential cases of unfair practices of employees or other violations.

The Committee has also a function of monitoring adherence to the Company's information policy.