

APPROVED BY

the Board of Directors of
Segezha Group PJSC
Minutes No. 10/21 dated April 9, 2021

REGULATIONS
ON THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS
OF SEGEZHA GROUP PUBLIC JOINT STOCK
COMPANY

Moscow
2021

TERMS AND ABBREVIATIONS:

The company	<i>Segezha Group Public Joint Stock Company (hereinafter referred to as the Company and/or Segezha Group PJSC)</i>
Committee	<i>The Audit Committee of the Board of Directors of the Company</i>
Corporate Governance Code	<i>The Corporate Governance Code recommended for application by the Bank of Russia (Bank of Russia Letter No. 06-52/2463 dated April 10, 2014)</i>
Code of Ethics of Segezha Group	<i>The Code of Ethics of Segezha Group approved on February 12, 2021 by the resolution of the Company's Board of Directors (Minutes of the meeting of the Board of Directors No. 4/21 dated February 12, 2021)</i>
GAAP	<i>The Generally Accepted Accounting Standards of the United States of America (US GAAP)</i>
IFRS	<i>International Financial Reporting Standard; International Accounting Standards (IAS), traditionally translated into Russian using the abbreviation IFRS</i>
IAD	<i>The Internal Audit Division, a structural division for internal audit of the Company</i>
Articles of Association	<i>The Articles of Association of the Company</i>
Organizations of Segezha Group (SGE)	<i>Legal entities whose financial statements are consolidated with the Company's financial statements prepared in accordance with the International Financial Reporting Standards or legal entities in which the Company owns, directly or indirectly, at least 50% of the share capital</i>
Board of Directors	<i>The Board of Directors of the Company</i>

1. GENERAL PROVISIONS

- 1.1. These Regulations define the principal goals, competence, powers, objectives, and functions of the Committee, the procedure for its formation and the termination of its powers, the rights and obligations of its members, and the procedure for its work and decision making.
- 1.2. The Committee is a collegial advisory body of the Company's Board of Directors which reports to the Company's Board of Directors. The activities of the Committee shall be carried out in accordance with the competence, goals, objectives, and functions of the Committee as defined in these Regulations. The Committee is not a management body of the Company and the Company shall not assume civil rights and obligations through the Committee.
- 1.3. The Committee shall present its conclusions and recommendations within its competence on the matters under consideration to the Board of Directors. The Committee shall submit an annual report on the work it has done, as well as a report on its activities to the Board of

Directors at any time at the request of the Board of Directors. The Committee's decisions are of an advisory nature for the Company's Board of Directors.

- 1.4. In carrying out its activities, the Committee and its members shall be guided by the current laws of the Russian Federation, the Company's Articles of Association and internal documents, the Corporate Governance Code, decisions of the Company's management bodies, and these Regulations.

2. COMPETENCE AND DUTIES OF THE COMMITTEE

The competence and duties of the Committee cover the following key areas: accounting (financial) reporting and consolidated financial reporting, risk management, internal control and corporate governance (in terms of internal audit tasks), internal and external audit, and countering illegal actions.

3. GOALS, OBJECTIVES, AND FUNCTIONS OF THE COMMITTEE

- 3.1. The main purpose of the Committee's activities is to assist the Board of Directors in effectively performing the functions of controlling the Company's financial and business operations.
- 3.2. The main objectives of the Committee are to improve the efficiency of internal controls, risk management and corporate governance systems; control the reliability of accounting (financial) reports, internal and external audit activities; and control the effectiveness of the system for informing the Company's management about violations, including cases of unethical actions of employees and third parties.
- 3.3. The principal functions of the Committee are:
 - 3.3.1. In the area of accounting (financial) reporting:
 - a) control over ensuring the completeness, accuracy, and reliability of the Company's accounting (financial) statements, including interim and annual reports, as well as monitoring the reliability and effectiveness of the organization of procedures (or changes in procedures) for reporting in the Company, including assessing the degree of integration (interconnectedness) of reporting procedures and business processes of the Company;
 - б) analysis of significant aspects of the Company's accounting policy, significant changes in the Company's accounting policy, and the possible impact on the Company's financial position of changes in accounting and/or reporting and other changes in legislation (if any), including on the basis of analytical reviews prepared by the executive bodies and conclusions (comments) of the Company's auditor;
 - в) participation in the review of material matters and judgments in relation to the Company's accounting (financial) statements;
 - г) assessment of the impact of operations and transactions and assets and liabilities recorded in off-balance sheet accounts (if applicable) on the financial position of the Company;
 - д) preliminary review of materials for the purpose of preparing an opinion (position) on matters of approval of interested-party transactions submitted for approval by the Board of Directors.
 - 3.3.2. In the area of risk management, internal control, and corporate governance:
 - a) monitoring the reliability and effectiveness of the risk management and internal control system and the corporate governance system, including evaluating the effectiveness of the Company's risk management and internal control procedures and corporate governance practices, and preparing proposals for their improvement;

- б) analysis and evaluation of the implementation of the risk management and internal control policy;
- в) control of procedures that ensure the Company's compliance with the requirements of legislation, as well as ethical standards, rules, and procedures of the Company and stock exchange requirements;
- г) analysis and evaluation of the implementation of the conflict of interest management policy;
- д) preliminary review of the draft risk management and internal control policy of the Company and subsequent amendments to this policy before its approval by the Board of Directors;
- е) reviewing and forming an opinion on the risk appetite and its indicators before submitting them to the Board of Directors for approval;
- ж) assistance in maintaining effective interaction and open dialog between divisions responsible for the organization of risk management, internal control, and internal audit in the Company, among other things as a part of assessing the reliability and effectiveness of risk management and internal control;
- з) reviewing and forming opinions on the results of assessment of the effectiveness of risk management and internal control and proposals (recommendations) for improving the organization of risk management and internal control, including on the basis of the reports of the IAD and the Company's auditor, for subsequent submission to the Board of Directors.

3.3.3. In the area of internal and external audit:

- а) ensuring the independence and objectivity of the implementation of internal and external audit functions and the activities of the IAD and their assessment;
- б) review of the internal audit policy (regulations on internal audit), as well as subsequent changes to the said document;
- в) periodically (annually and/or more frequently as necessary) assessing the internal audit policy of the Company, including from the perspective of compliance of the internal audit organization with the current needs of the Company;
- г) assessment of the conditions for internal audit in the Company: availability of all necessary resources, access to the necessary information in the Company, identification of restrictions or obstacles to the performance of internal audit functions in the Company in accordance with professional standards of auditing;
- д) preliminary review of the IAD's plan of operations (audit plan) and budget before their approval by the Company's Board of Directors;
- е) preliminary consideration of the appointment (dismissal) of the head of the IAD and the terms of his/her employment contract, including the amount of his/her remuneration;
- ж) review of existing restrictions on the authority or budget for the implementation of the internal audit function that may adversely affect the effective implementation of the internal audit function, as well as taking measures to eliminate these restrictions;
- з) annual preliminary approval of key performance indicators of the IAD for their subsequent submission to the Nominations and Remuneration Committee of the Company's Board of Directors and approval by the Board of Directors;
- и) promotion of the development of the Company's internal control and audit function;
- к) evaluation of the effectiveness of the internal audit function;
- л) assessment of the need to establish an internal audit system (if there is no such system) and submission of the results of the review to the Board of Directors;
- м) review of the results of the IAD's operations and analysis of the reports provided by the IAD;
- н) review of the plan to eliminate violations identified by the IAD and monitor its implementation;

- o) holding of regular meetings with the head of the IAD to discuss any relevant issues within the competence of the Committee that, in the opinion of the Committee, require discussion;
- п) ensuring that the head of the IAD can directly communicate with the Chair and members of the Committee and the Chair of the Board of Directors;
- р) review of the results of the internal evaluation of the internal audit function conducted by the IAD in accordance with the international professional standards of internal audit;
- с) assessment of the independence, objectivity, and absence of conflict of interests of the Company's external auditors, including evaluation of candidates for the positions of the Company's auditors, development of proposals for appointment, re-election and removal of the Company's external auditors, payment for their services and the terms of their engagement;
- т) supervision of the external audit and assessment of the quality of the audit and the auditors' opinions;
- у) ensuring effective interaction between the IAD and the Company's external auditors;
- ф) development of and control over implementation of the Company's policy defining the principles of the provision and concurrent provision of audit and non-audit services by the auditor to the Company;
- х) approval of the internal audit quality assurance and improvement program;
- ц) assistance in organizing interaction with external auditors of the Company and the Organizations of Segezha Group:
 - i. analysis and evaluation of the operations of external auditors, provision of recommendations to the Company's Board of Directors regarding the selection or re-appointment of external auditors or refusal of their services;
 - ii. assessment of the scope of audit procedures and audit methods proposed by external auditors (including coordination of activities carried out by external and internal auditors) in order to ensure effective coverage of all major risks of the Company and the Organizations of Segezha Group;
 - iii. ensuring and confirming the independence of external auditors, including by receiving statements from the auditors concerning the relationship between the auditors of the Company and the Organizations of Segezha Group;
 - iv. consideration of the main comments of external auditors and the relevant position of the Company's management on each item of the comments;
 - v. regular analysis of the rectification of deficiencies noted in the auditors' comments by the Company's management;
 - vi. when agreeing upon the Company's approaches to selection of the auditor(s) of the Company which define the principles of the auditor's provision of audit and non-audit services, including their concurrent provision, and when monitoring their implementation, making certain that:
 - the auditor selection criteria established and applied by the Company and the auditor selection itself are focused on the quality of the audit, based on the assessment of the professional skills of the auditors, their areas of expertise, technical competencies, knowledge of the industry, and the adequacy of resources;
 - the independence of bidding procedures from the management bodies and officials of the Company responsible for the preparation of accounting (financial) statements is ensured when selecting the auditor, in particular, with the involvement of independent directors;
 - the auditor is independent in accordance with the current laws in the area of audit activities;
 - vii. ensuring effective interaction with the Company's auditors, which comprises:
 - keeping records of meetings and negotiations with the auditor;

- arranging for the auditor's unimpeded communication with the Committee and/or its chair;
 - ensuring that the auditor is invited on a regular basis to participate in the meetings of the Committee, especially in cases where significant issues related to the preparation of accounting (financial) statements are discussed (if necessary, inviting members of the audit team and experts engaged by the auditor who have specialized (expert) knowledge in certain areas);
 - ensuring that regular meetings with the auditor are held without the presence of persons responsible for the preparation of accounting (financial) statements and without informing these persons (including the Company's executive bodies) about the discussion;
- viii. assessing the quality and effectiveness of interaction with the Company's auditor.
- 3.3.4. In the area of countering unethical actions of the Company's employees and third parties and managing conflict of interests:
- a) control of the organization and efficiency of the system of notification of potential cases (facts) of unethical actions of the Company's employees and third parties, as well as other violations within the Company;
 - б) supervising the conduct of special investigations into potential cases of fraud and unfair use of insider or confidential information;
 - в) controlling the implementation of measures taken by the Company's executive management based on information about potential cases of unethical actions of employees and other violations;
 - г) ensuring the development, evaluation, and revision of policies and procedures aimed at identifying and countering unethical actions of the Company's employees, including in the following areas:
 - misrepresentation (intentional misrepresentation or incomplete presentation of data) of indicators of the Company's statements of financial position;
 - illegal actions committed with the Company's assets (falsification of documents, withdrawal of funds, embezzlement of property, etc.);
 - corrupt actions (corruption, bribery of officials in order to influence decision-making);
 - д) jointly with executive management bodies of the Company, monitoring the implementation of appropriate procedures in the Company that ensure the identification and counteraction of unethical actions of the Company's employees;
 - е) monitoring compliance with the Code of Ethics of Segezha Group;
 - ж) control over the implementation of the conflict of interest management policy.
- 3.3.5. Assistance and control over the processes of preparation and audit of the Company's accounting (financial) statements and the consolidated financial statements of the Organizations of Segezha Group, including:
- a) analysis of the material provisions of the consolidated financial statements of the Organizations of Segezha Group, including analysis of the reporting on complex and unusual transactions, related party transactions, and transactions for which accounting requires the development of estimates and/or a significant amount of subjectivity when applying the relevant generally accepted accounting standards;
 - б) analysis of audit results together with the Company's management and external auditors, including the review of difficulties in conducting the audit, the legality of significant adjustments made as a result of the external audit, the legality of applying the going concern assumption, compliance with GAAP/IFRS requirements, current legislation, and audit standards;
 - в) analysis of the annual and interim financial statements in order to determine their completeness and the consistency of information and provide a reasonable and clear

assessment of the position, performance indicators, and prospects of the Organizations of Segezha Group.

3.3.6. Assessment of the adequacy of the internal control system and the risk management system, as well as compliance with applicable statutory requirements in the area of financial reporting, audit, and planning:

- a) analysis of the adequacy of internal controls, risk management, and corporate governance, including compliance with applicable statutory requirements in the area of financial reporting, audit, and planning;
- б) preparation of proposals for improvement of corporate governance;
- в) analysis of comments prepared based on the results of inspections of regulatory bodies and auditors;
- г) review, together with the Company's management, external auditors and the IAD, of any cases of non-compliance and improper compliance with legislation, possible fraud, or non-compliance with legislation and regulatory requirements, as well as significant deficiencies in internal control, risk management, and corporate governance procedures;
- д) participation in the development and preliminary approval of action plans in accordance with the applicable anti-corruption laws;
- е) monitoring of compliance with the Code of Ethics of Segezha Group in the Company and the Organizations of Segezha Group;
- ж) consideration of an IAD report compiled on the basis of the received Declarations on "Ethics and Conflict of Interests" and including reported cases of conflict of interest and proposed measures to resolve such conflicts;
- з) monitoring the effectiveness of the operation of the Unified Hotline Notification System for Potential Violations in the Activities of the Company and the Organizations of Segezha Group.

3.3.7. Facilitation of the budgeting process and financial modeling in the Company and the Organizations of Segezha Group:

- a) preliminary review of the draft consolidated annual budget of the Company and the Organizations of Segezha Group and its pre-approval before submission to the Board of Directors of the Company;
- б) quarterly review of consolidated results of the budget implementation of the Company and the Organizations of Segezha Group and assessment of the progress of its implementation;
- в) monitoring the effectiveness of the budgeting process adopted by the Company and the Organizations of Segezha Group and considering proposals for its improvement;
- г) preliminary review of the general financial model of the Company and the Organizations of Segezha Group;
- д) monitoring the effectiveness of financial modeling methods used in the Company and the Organizations of Segezha Group.

3.3.8. Evaluation and generation of recommendations on matters regarding transactions of the Company and the Organizations of Segezha Group, including:

- a) the Company's transactions, consent to which is to be adopted by a resolution of the Board of Directors of the Company;
- б) the Organizations of Segezha Group' transactions, on the matter of whose performance the Board of Directors is authorized to determine the Company's position in accordance with the Company's Articles of Association.

4. THE MEMBERSHIP OF THE COMMITTEE AND THE PROCEDURE FOR ITS FORMATION

- 4.1. The membership of the Committee shall be made up only of members of the Board of Directors.
- 4.2. The number of members of the Committee shall be approved by a resolution of the Board of Directors and may not be less than three (3) people. Candidates to the Committee shall be nominated by members of the Board of Directors. The membership of the Committee shall be approved by the Company's Board of Directors by a simple majority of votes.
- 4.3. The Committee shall be made up only of members of the Company's Board of Directors who are independent directors; if this is not possible for objective reasons, the majority of Committee members shall be independent directors and the remaining members of the Committee may be members of the Company's Board of Directors who are not the President or a member of the Company's Management Board.
- 4.4. At least one of the independent directors who is a member of the Committee must have experience and knowledge in the preparation, analysis, evaluation, and audit of accounting (financial) statements.
- 4.5. Matters concerning the approval of the number and names of members of a Committee of the Board of Directors are generally subject to consideration at the first meeting of a newly elected Board of Directors of the Company. The powers of the Committee members shall terminate upon the termination of the powers of the members of the Company's Board of Directors.
- 4.6. The Board of Directors shall appoint the Chair of the Committee, who shall be responsible for managing the activities of the Committee, from among the members of the Committee who are independent members of the Board of Directors. The Board of Directors may, by its resolution, also appoint a Deputy Chair of the Committee, who shall exercise the functions and powers of the Chair of the Committee in cases where the latter is unable to participate in a meeting of the Committee, from among members of the Committee who are independent members of the Board of Directors.
- 4.7. Employees of the Company, representatives of the participants, representatives of external and internal auditors, and other persons without the right to vote on the agenda items of the meeting of the Committee may be involved in the work of the Committee.
- 4.8. If necessary, the Committee may hold additional meetings and closed meetings with external auditors, internal auditors, or with the Company's management in order to discuss any matters within the competence of the Committee that, in the opinion of the Committee or the said parties, require confidential discussion. When the Committee holds the additional meetings referred to in this paragraph, the Secretary of the Committee may take minutes, and when the Committee holds closed meetings referred to in this paragraph, minutes shall be taken and the Committee may pass resolutions on the agenda items of such meetings.
- 4.9. The powers of any member of the Committee may be terminated at any time by a resolution of the Board of Directors, made at the initiative of the members of the Board of Directors.
- 4.10. The Chair of the Committee, as well as the members of the Committee, may resign by sending a letter of resignation to the Chair of the Company's Board of Directors and the Chair of the Committee.

5. RIGHTS AND OBLIGATIONS OF THE COMMITTEE MEMBERS

- 5.1. The Committee members shall be entitled to:
 - 5.1.1. request and receive information and documents of the Company within the competence of the Committee from the Company's officials, members of the Board of Directors, the Management Board, the Audit Commission, the head of the IAD, and external and internal auditors of the Company;

- 5.1.2. request that a meeting of the Committee be convened and submit matters for consideration by the Committee;
 - 5.1.3. request that their written dissenting opinion be attached to the minutes of the meeting of the Committee;
 - 5.1.4. use the services of external consultants by agreement with the Chair of the Committee.
- 5.2. The Committee members must:
- 5.2.1. attend (participate in) the meetings of the Committee and take active part in the preparation and discussion of items considered at the meetings of the Committee;
 - 5.2.2. participate in the decision-making process of the Committee by voting on the agenda items of its meetings;
 - 5.2.3. hold meetings with the management and the external auditor of the Company in order to assess the material indicators of financial statements, the main provisions of the accounting policy, and the results of the audit;
 - 5.2.4. interact with the IAD and review and analyze reports of internal and external auditors on assessment of the internal control system;
 - 5.2.5. evaluate the performance of external auditors and make recommendations to the Board of Directors regarding the appointment, reappointment, or termination of the contract with external auditors;
 - 5.2.6. evaluate the effectiveness of steps taken by management in relation to the facts of non-compliance with legal norms, the Corporate Governance Code, etc., disclosed as a result of inspections and investigations;
 - 5.2.7. make informed decisions, and for this purpose, study all necessary information (materials), conduct investigations, and bring all information that is relevant to the decisions to be made to the attention of all members of the Committee;
 - 5.2.8. notify the Chair of the Committee if their personal participation in the next meeting is not possible and indicate the reasons;
 - 5.2.9. when making decisions, act in good faith and reasonably in the interests of the Company's members and all interested parties;
 - 5.2.10. carry out the instructions of the Chair of the Committee;
 - 5.2.11. in accordance with the requirements of the Company's internal documents, not disclose confidential information or trade secrets that have become known to them, respect the confidentiality of matters discussed, not disclose insider information to third parties, and not use such information for personal gain or for the gain of their affiliates.
 - 5.2.12. coordinate any actions performed on behalf of the Company or the Committee with the Chair of the Board of Directors or the Chair of the Committee.
- 5.3. A Committee member must refrain from:
- 5.3.1. actions that would lead or may potentially lead to a conflict between his/her personal interests and the interests of the Company and, in the event of such a conflict, disclose information about it to the Committee and the Board of Directors;
 - 5.3.2. voting on items regarding which he/she has a personal interest in decision-making. At the same time, a Committee member must immediately disclose, through the Chair or Secretary of the Committee, the fact of such an interest and the grounds for its occurrence to the Committee.

- 5.4. If it is necessary to engage external consultants, the Committee shall be entitled to make its own proposals for adjusting (changing, supplementing) the relevant budget items of the Company.
- 5.5. The Committee members shall be responsible to the Company's Board of Directors for the quality and results of the implementation of the Committee's decisions or the instructions of the Chair of the Committee.

6. THE CHAIR AND SECRETARY OF THE COMMITTEE

- 6.1. The Chair of the Committee shall be responsible for the results of the Committee's work and the achievement of its purposes.
- 6.2. The Chair of the Committee shall:
 - 6.2.1. ensure that the Committee's Work Plan is developed and submitted for approval by the Committee;
 - 6.2.2. organize the work of the Committee and convene and chair its meetings;
 - 6.2.3. determine the form, date, time, place, and agenda of the meetings of the Committee;
 - 6.2.4. determine the form, date, time, place, and agenda of the additional meetings of the Committee;
 - 6.2.5. determine the list of persons invited to participate in a meeting of the Committee or in an additional meeting held by the Committee;
 - 6.2.6. organize the keeping of the minutes of the Committee meetings and sign the minutes of the Committee meetings;
 - 6.2.7. arrange, if necessary, for the keeping of minutes of additional meetings of the Committee and sign them;
 - 6.2.8. distribute responsibilities among the Committee members;
 - 6.2.9. give instructions to the Committee members related to the need for a more detailed study of issues and the preparation of materials for consideration at a meeting of the Committee;
 - 6.2.10. ensure objectivity when the Committee gives recommendations to the Board of Directors;
 - 6.2.11. regularly inform the Board of Directors and its Chair about the work of the Committee and report to the Company's Board of Directors on the results of the Committee's work;
 - 6.2.12. exercise control over the implementation of decisions made;
 - 6.2.13. perform other functions arising out of the goals, objectives, and substance of the Committee's activities.
- 6.3. The Secretary of the Committee shall be appointed by a decision of the Committee on the proposal of the Chair of the Committee. Within the scope of his/her powers, the Secretary of the Committee shall:
 - 6.3.1. prepare the Committee's Work Plan based on the proposals of members and the Chair of the Committee;
 - 6.3.2. in consultation with the Chair of the Committee, prepare and send notifications of upcoming meetings and materials submitted by the responsible persons on the agenda items to the Committee members;
 - 6.3.3. in consultation with the Chair of the Committee, prepare and send notifications of additional meetings of the Committee and, if necessary, materials on the agenda items

to members of the Committee and other persons who are invited to participate in such meetings;

- 6.3.4. collect voting ballots if an absentee meeting of the Committee is held;
- 6.3.5. prepare the draft minutes of a meeting of the Committee or the draft minutes of an additional meeting of the Committee and prepare and sign extracts from the minutes of meetings of the Committee and minutes of additional meetings of the Committee;
- 6.3.6. arrange for the storage of copies of the minutes and materials of Committee meetings and additional meetings, if necessary, at the request of stakeholders;
- 6.3.7. carry out the instructions of the Chair of the Committee;
- 6.3.8. exercise other powers provided for in these Regulations.

7. ORGANIZATION OF THE COMMITTEE'S WORK

- 7.1. The Committee shall carry out its activities on the basis of these Regulations and the Committee's Work Plan approved in accordance with Clauses 7.2–7.4 hereof.
- 7.2. The Committee's Work Plan shall be drawn up with due regard for the work plan of the Board of Directors and the proposals of the Chair and the Committee members for a period of one calendar year. As a rule, the Committee's Work Plan shall be subject to approval at the first meeting of the newly elected Committee.
- 7.3. The Committee meetings shall be held in accordance with the Committee's Work Plan and as necessary but no less than six (6) times a year, where:
 - a) at least one meeting is held to discuss the internal and external audit plan for the coming year, issues that may arise in the course of preparation of financial statements and approval of the cost of audit services;
 - b) at least one meeting is held to discuss the results of the external/internal audits and approve action plans to address violations/deficiencies identified during the external/internal audits;
 - b) one meeting is held to discuss the results of the activities of the Company and the Organizations of Segezha Group and the results of the annual audit for the year (annual financial statements);
 - r) three meetings are held before the release of the consolidated (financial) statements for the 1st, 2nd, and 3rd quarters, respectively, to discuss the Company's performance and the results of the review of financial statements for the quarter.
- 7.4. The Committee's Work Plan may be changed by the decision of the Committee on the basis of proposals received from the Committee members.
- 7.5. If necessary, the Committee may hold additional meetings, among other things, to discuss accounting matters and other matters that the Committee deems significant for the Company's activities.
- 7.6. The Committee, taking into account the specifics of the matters to be considered by the Committee, may, if necessary, by the decision of the Committee Chair, invite any officials of the Company, the head of the IAD and representatives of the Company's external auditors to its meetings; it may also, on a permanent or temporary basis, involve independent consultants (experts) in the work of the Committee to prepare materials and recommendations on the agenda items. Members of the Board of Directors who are not Committee members may participate in any meeting of the Committee.
- 7.7. At least once a quarter, the Committee or its Chair shall meet with the head of the IAD on matters related to the competence of the IAD.

8. PROCEDURE FOR HOLDING THE COMMITTEE MEETINGS

- 8.1. The Secretary of the Committee shall send a notification on an upcoming meeting of the Committee by e-mail to the Committee members no later than three (3) days prior to the date of the meeting. The person responsible for preparing an agenda item of a Committee meeting shall provide materials on the item to the Secretary of the Committee, in the form of a presentation or otherwise, no later than five (5) days prior to the date of the meeting. Materials concerning agenda items must contain the necessary and sufficient amount of information to enable Committee members to make an informed and objective decision on the agenda item. The Secretary of the Committee must distribute the materials to the Committee members no later than two (2) business days before the date of the Committee meeting.
- 8.2. If the deadlines for sending materials to the Committee members provided for in Clause 8.1 hereof cannot be met due to the lack of materials (inadequate quality of the preparation of materials) on the agenda items, the Secretary of the Committee shall immediately notify the Chair of the Committee thereof and propose removing the item(s) in question from the agenda of the Committee meeting. The Chair of the Committee may, based on the results of consideration of the materials, make a decision to remove the item(s) in question from the agenda of the meeting or to cancel or postpone the Committee meeting. The Secretary of the Committee shall prepare a notification of the removal of the agenda items in question or the cancellation or postponement of the Committee meeting on behalf of the Chair and send it to the Committee members no later than one day prior to the scheduled date of the Committee meeting.
- 8.3. In exceptional cases, by the decision of the Chair of the Committee, it shall be allowed to send notification about the holding of a Committee meeting and materials on the agenda items no later than one business day prior to the date of the meeting.
- 8.4. Committee meetings may be held in the form of joint presence of the Committee members (a physical meeting) or, by the decision of the Committee Chair, in the form of absentee voting on the agenda items of the meeting (an absentee meeting).
- 8.5. The Committee meeting shall be duly constituted (shall have a quorum) if the majority of the elected members of the Committee are present at (participate in) the meeting.
- 8.6. A physical meeting of the Committee shall be opened by the Chair of the Committee.
 - 8.6.1. The Secretary of the Committee shall determine whether there is a quorum for holding a physical meeting of the Committee. When determining the quorum, the participation of a member of the Committee in the meeting by audiovisual conferencing or by telephone shall be taken into account. When determining the quorum and the results of voting on the agenda items of a physical meeting of the Committee, the written opinion of a Committee member who is absent from the meeting shall be taken into account. The written opinion shall be signed by the Committee member and contain the printed name of the signatory.
 - 8.6.2. The Chair of the Committee shall inform those present at a physical meeting about the presence of a quorum for the Committee meeting and announce the agenda of the meeting.
 - 8.6.3. In the absence of a quorum, the meeting shall be declared not duly constituted. In this case, the Chair of the Committee shall make one of the following decisions:
 - a) in consultation with the persons present at the meeting, determine the time to which the beginning of the meeting shall be postponed;
 - b) determine the date of a new meeting of the Committee whose agenda includes the items to be considered;

- в) include the items that were to be considered at the failed meeting of the Committee in the agenda of the next scheduled meeting of the Committee.
- 8.7. The decision to hold a Committee meeting in the form of absentee voting shall be made by the Chair of the Committee.
 - 8.7.1. When holding an absentee meeting of the Committee, voting ballots prepared in accordance with Appendix 1 hereto shall be sent to the Committee members, together with the materials on agenda items.
 - 8.7.2. When a voting ballot is completed by a Committee member on each issue put to vote, only one of the possible voting options ("for," "against," "abstained") shall be left not crossed out. The Committee member shall sign the completed voting ballot, indicating his/her name and initials.
 - 8.7.3. The Committee member shall submit the completed and signed voting ballot to the Secretary of the Committee no later than the date and time of the end of acceptance of the voting ballots in the original or by fax or in scanned form by e-mail, followed by sending the original voting ballot to the address specified in the notification about the Committee meeting.
 - 8.7.4. Committee members whose completed voting ballots are received by the Secretary of the Committee no later than the date and time of the end of acceptance of voting ballots shall be considered to have taken part in the absentee meeting.
 - 8.7.5. A voting ballot completed in violation of the requirements specified in Clause 8.7.2 hereof shall not be taken into account when counting votes in respect of the agenda item in question.
 - 8.7.6. An unsigned voting ballot or a ballot received by the Company after the deadline specified in the notification shall not be taken into account when determining a quorum, counting votes, and summing up the results of absentee voting.
 - 8.7.7. If different voting options are left in a ballot completed by a Committee member on one or more agenda items of the Committee meeting, such ballot shall be considered invalid and shall not be taken into account when determining the voting results in terms of voting on the said agenda item(s) of the Committee meeting.
- 8.8. Resolutions shall be adopted at the Committee meetings by a simple majority of votes of the elected members of the Committee. When adopting a resolution at a meeting, each member of the Committee shall have one vote. The transfer of a vote by one member of the Committee to another member of the Committee or to another person shall not be allowed. In the event of a tie, the Chair shall have a casting vote.
- 8.9. Based on the results of the Committee meeting, the Secretary shall draw up the minutes of the meeting. The minutes of the Committee meeting shall contain the following:
 - a) the date, time, and place of the meeting;
 - б) the participants of the meeting, including Committee members and invitees;
 - в) the agenda of the meeting;
 - г) proposals and comments made during the discussion of the items under consideration;
 - д) results of voting on the items under consideration and the resolutions adopted.
- 8.10. The Secretary of the Committee shall draw up the draft minutes of the Committee meeting no later than three (3) business days after the date of the meeting. The Secretary of the Committee shall send the draft minutes of the meeting agreed upon by the Chair of the Committee by e-mail to the Committee members. The Committee members shall, based on the consideration of the draft minutes on the day of its submission, have the right to send the Secretary of the Committee their reasoned proposals to supplement (amend) the draft minutes of the meeting. The Secretary of the Committee shall bring the proposals received from the members to the

attention of the Chair of the Committee. The Chair of the Committee shall, based on the consideration of the proposals received within the abovementioned time limits, have the right to make a decision on the inclusion of additional information in the minutes of the meeting or to refuse to include this information in the minutes.

- 8.11. The minutes of the Committee meeting approved by the Chair of the Committee shall be drawn up and signed in one copy by the Chair and the Secretary of the Committee no later than five (5) business days after the date of the meeting. The minutes of the Committee meeting shall be accompanied by the documents adopted (approved) by the decision of the Committee and, in the case of absentee voting, by the voting ballots.
- 8.12. A Committee member who has a dissenting opinion on an agenda item shall be entitled to send his/her written opinion to the Chair of the Committee. This opinion shall be prepared by the Committee member and submitted to the Secretary of the Committee no later than the next business day after the date of the Committee meeting. The written opinion shall be attached to the minutes of the Committee.
- 8.13. The Secretary of the Committee shall e-mail copies of the minutes (extracts from the minutes) of the meeting in scanned form to all members of the Committee, the Secretary of the Board of Directors, and the appointed persons responsible no later than two (2) business days after the date of signing of the minutes.
- 8.14. The original minutes with appendices, as well as voting ballots (in the case of an absentee meeting), shall be submitted for storage to the Secretary of the Company's Board of Directors no later than five (5) business days after the preparing and signing thereof.
- 8.15. The Committee shall approve and submit a report on the results of its activities to the Company's Board of Directors on an annual basis. As a rule, the report on the results of the Committee's activities shall be considered and submitted at the last meeting of the Committee before a General Meeting of Shareholders of the Company whose agenda includes an item on electing a new Board of Directors of the Company.

9. FINAL PROVISIONS

- 9.1. These Regulations, as well as amendments and additions hereto, shall be approved by a resolution of the Company's Board of Directors in accordance with the procedure provided for by the Articles of Association and the Company's internal document governing the activities of the Company's Board of Directors.
- 9.2. The Regulations on the Committee and information on the names of the Committee members may be posted on the web page by the decision of the Chair of the Committee, as agreed with the Chair of the Board of Directors. The Secretary of the Committee shall be responsible for organizing the posting of the information specified in this clause and its compliance with the resolutions of the Company's Board of Directors.



**AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF SEGEZHA GROUP PJSC**

VOTING BALLOT
on agenda items of the meeting of the Audit Committee
THE BOARD OF DIRECTORS OF SEGEZHA GROUP PJSC

Form of the meeting: absentee voting

End date and time of acceptance of voting ballots: _____

Address for sending voting ballots: by fax _____ or by e-mail: _____ with subsequent submission of the original to the Company at: _____.

Member of the Audit Committee of the Board of Directors:	_____ <i>Full name</i>
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Agenda item No. ____: _____

Wording of the resolution on the item put to a vote:
1. _____

Voting options	FOR	AGAINST	ABSTAINED
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Leave the voting option you have selected unchanged and cross out the unnecessary options.

Signature
of the member of the Audit Committee
of the Board of Directors of Segezha Group PJSC:

_____ / _____

(print name)

*The voting ballot shall be signed by the member of the Audit Committee.
An unsigned ballot shall be considered invalid!*