

APPROVED BY

the Resolution of the Board of Directors of
Public Joint-Stock Oil and Gas Company
Slavneft

29.10.2021 (Minutes of Meeting No.5
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**IN-HOUSE AUDIT POLICY OF
PUBLIC JOINT-STOCK OIL AND GAS COMPANY SLAVNEFT**

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1. INTRODUCTORY PROVISIONS

GOAL

The In-House Audit Policy of Public Joint-Stock Oil and Gas Company Slavneft (hereinafter referred to as the Policy) has been developed in accordance with the Civil Code of the Russian Federation, Federal Law No.208-FZ “On Joint-Stock Companies” dd. 26.12.1995, other regulatory legal acts of the Russian Federation, Corporate Governance Code recommended by letter No.06-52/2463 of the Bank of Russia dd. 10.04.2014, Guidelines for In-House Audit in State-Invested Joint-Stock Companies approved by Order N.249 of the Federal Agency for State Property Management dd. 04.07.2014, Guidelines for Drafting the In-House Audit Regulations approved by Order No.III-III-4148 of the Russian Federation Government, Information Letter No.IH-06-28/143 of the Bank of Russia “Regarding Recommendations on Risk Management, In-House Control, In-House Audit, Work of the Board-of-Directors Audit Committee (Supervisory Body) in Public-Joint Stock Companies” dd. 01.10.2020, Information Letter No.IH-06-14/180 of the Bank of Russia “Regarding Recommendations to Heads of the In-House Control Service, In-House Audit Service, Risk Management Service of Financial Companies” dd. 24.12.2020, International Professional Practices Framework for In-House Audit, Slavneft’s Articles of Association, Corporate Governance Code, Business Ethics Regulations, Risk Management System and In-House Audit Policy of PJSC NGK Slavneft, other in-house policies and procedures of PJSC NGK Slavneft.

The Policy is the in-house regulatory document of PJSC NGK Slavneft (hereinafter referred to as the Company) that defines the principles of in-house audit arrangement, goals, tasks, rules and powers, the procedure for in-house audit communication with an external auditor, subjects of the risk management and in-house audit system, as well as the procedure for quality control and assessment of the Company in-house audit activity.

This Policy describes the Company’s in-house audit position, official defines common approaches and principles of in-house audit.

SCOPE OF APPLICATION

This Policy must be followed by Company’s personnel. Orders, in-house policies and procedures, other in-house documents shall not contradict this Policy.

VALIDITY PERIOD AND PROCEDURE FOR MAKING AMENDMENTS

This Policy is an in-house regulatory document, which is continuously in effect.

This Policy is approved, amended and deemed to be null and void in the Company by the resolution of the Company’s Board of Directors, following the preliminary recommendation issued by the Audit Committee of Slavneft’s Board of Directors.

2. GLOSSARY

TERMS AND DEFINITIONS

SECURITY HOTLINE – channels of communication for receiving the messages about facts or attributes of stealing, corporate-wise fraud, corruption, unfair competition, conflict of interest, other messages, which are sent to Company’s e-mail box hotline@slavneft.ru.

SUBSIDIARY – the entity, in which equity PJSC NGK Slavneft has the majority interest, or has the possibility to define decisions made by such entity in accordance with the contract effected between the entity and Company or otherwise.

OFF-SCHEDULE INSPECTION – in-house audit, which is outside the scope of the approved in-house audit plan and which is carried out in accordance with the instruction issued by the Company's General Director, Audit Committee of the Company's Board of Directors or Company's Board of Directors, or due to re-assessment of Company's risks by the in-house auditor.

IN-HOUSE AUDIT – activity on providing the independent and unbiased guarantees and consultations, which is focused on enhancement of the Company's business. In-house audit facilitates the Company to gain the defined targets, inter alia, by using the system-wise and consistent approach to assessment and improvement of the risk management/ in-house control efficiency.

IN-HOUSE AUDITOR – an official who is in charge for in-house audit arrangement and performance in accordance with the In-House Audit Policy, Code of Ethics of the Institute of Internal Auditors and International Professional Practices Framework for In-House Audit.

COMPANY'S EXECUTIVE BODIES – Company's General Director.

DESK IN-HOUSE AUDIT (DESK AUDIT) – audit that is carried out remotely from the workplace of the in-house auditor based on the information and papers, which are submitted by the auditee upon in-house audit requests via the up-to-date communications means, as well as other information and papers about the auditee's activity, which are available for in-house audit.

IN-HOUSE AUDIT CONSULTATION – in-house audit result on providing consultations, pieces of advice, recommendations based on the in-house audit opinion, which is aimed at supporting and enhancing the risk management and in-house control processes and which releases the in-house auditor from responsibility for managerial decisions.

MANAGEMENT – top-managers and heads of Company's departments.

BREACH – action or omission of the Company's employee that results in failure to fulfill or improper fulfillment of law requirements, requirements of regulatory acts, Company's in-house policies and procedures, terms and conditions of the effective contracts, to which the Company employed the employee, who has committed the breach, is a party.

WEAKNESS – action or omission of the officials not prohibited officially, which results in adverse consequences for the Company.

AUDITEE OF THE IN-HOUSE AUDIT (AUDITEE) – business-project, business process, information system, information resource, area of Company's business and/ or activity of the Company's/ Subsidiaries department, which are audited.

COMPANY'S GOVERNING BODIES – General Meeting of Company's Shareholders, Company's General Director.

IN-HOUSE AUDIT ACTION PLAN (ACTION PLAN) – document that is developed by the Company's in-house auditor, that includes scheduled audits and other in-house audit actions for a planned period (one year), that is submitted to the Company's Board of Directors for approval upon its preliminary review by the Audit Committee of the Company's Board of Directors and upon its approval by the Company's General Director. The information about the action plan is submitted to the Company's Board of Directors during review of the report on in-house audit results for the previous period.

SCHEDULED IN-HOUSE AUDIT (SCHEDULED AUDIT) – audit included in the in-house audit action plan for the respective planning period.

INSPECTION – form of the control activity, through which in-house audit goals, tasks, functions and powers are exercised. Types of inspection may include, but are not limited to:

- ***AUDIT*** – inspection based on the preventive control method that is focused on assessment, analysis of the business-projects, business-processes, business areas, risk management and in-house control system, on expression of the opinion about their efficiency to develop the proposals on auditee activity performance enhancement.

- ***INSPECTION OF THE FINANCIAL AND ECONOMIC ACTIVITY*** – inspection based on the comprehensive follow-up control method that includes the complete analysis of the auditee financial and economic activity to identify facts of the positive practice, breaches, weaknesses and risks, to develop the proposals on enhancement of the auditee financial and economic activity performance.

- ***LIMITED SCOPE INSPECTION*** – inspection based on the follow-up control method that includes inspection of auditee's dedicated aspects and areas, which are most subject to risk, to identify facts of the positive practice, breaches, weaknesses, to assess risks, and to develop the proposals on enhancement of the auditee activity performance.

RISK – combination of the undesirable event probability and potential after-effects of such event, hazard of the accidental event adverse impact on gaining the Company's goals.

TOP-MANAGERS – Company's General Director, Deputy General Directors of the Company, as well as other managers, who directly report to the General Director.

IN-HOUSE CONTROL SYSTEM – system of organizational measures, policies, guidelines, as well as control procedures, which are focused on mitigating the risks of business-processes and actions taken by subjects of the risk management and in-house audit system to ensure the proper business dealing: for the Company's financial stability, gaining of the optimum balance between increase of its cost, profitability and business process risks; for consistent and efficient business; for preservation of assets; for identification, addressing and prevention of breaches; for compliance with the applicable law and in-house policies and procedures; for prompt preparation of the reliable financial reporting to enhance the Company's investment attractiveness.

RISK MANAGEMENT AND IN-HOUSE CONTROL SYSTEM (RM&IHCS) – combination of organizational measures, organizational structure processes, Company's in-house documents, risk management and in-house control procedures and methods, other actions taken by RM&IHCS subjects at all management levels and within the scope of Company's all business areas.

ABBREVIATIONS

IHP&P – in-house policies and procedures.

COMPANY – PJSC NGK Slavneft.

COMPANY'S DEPARTMENT (CD) – Company's structural unit with its own functions, tasks and responsibility that acts within the scope of its competence defined in the Department Regulations.

3. MAIN PROVISIONS

3.1. IN-HOUSE AUDIT DEFINITION

In-house audit is an activity on providing the independent and unbiased guarantees and consultations, which is focused on enhancement of the Company's business. In-house audit facilitates the Company to gain the defined targets, inter alia, by using the system-wise and consistent approach to assessment and improvement of the risk management/ in-house control efficiency.

In-house audit mission is to preserve and increase the cost of Company's assets by carrying out unbiased in-house audit inspections, which are based on the risk-oriented approach, by issuing recommendations and sharing the knowledge.

The "In-House Audit" term is also used in this Policy to define the respective function.

Company's in-house auditor exercises the in-house audit function in the Company. The in-house auditor is an official who is in charge for in-house audit arrangement and performance in accordance with the In-House Audit Policy, Code of Ethics of the Institute of Internal Auditors, and International Professional Practices Framework for In-House Audit. Company's Board of Directors assigns such an official and defines terms and conditions of the employment contract with this official or terms and conditions of the contract with other legal entity, inter alia, defines the remuneration amount. The Audit Committee of the Company's Board of Directors shall preliminarily review the specified issues and draft respective recommendations for the Company's Board of Directors. The order on assignment of the Company's in-house auditor shall be approved by the General Director.

3.2. IN-HOUSE AUDIT PRINCIPLES

Key in-house audit principles of the Company, which ensure gaining of in-house audit goals, are as follows:

– **Principle of independence.**

Organizational independence of the in-house auditor (respective official) is ensured by the split of administrative and functional subordination. The in-house auditor directly communicates with the Audit Committee of the Company's Board of Directors without involvement of Company's management once per year at least.

The in-house auditor is an official who is functionally subordinate to the Company's Board of Directors. Functional management includes:

- approval of in-house policies and procedures, which are related to the level of the In-House Audit Policy (in-house audit regulations, which define the in-house audit goals, tasks and powers);
- making of a decision on assignment of the in-house auditor and termination of such assignment;
- approval of the in-house audit action plans and review of the reports on in-house audit results;
- review of material restrictions of powers and other restrictions, which may have an adverse impact on exercising effectively the in-house audit functions, by the Audit Committee of the Company's Board of Directors.

The in-house auditor is an official who is administratively subordinate to the Company's General Director. Administrative management includes:

- allocation of the required funds within the scope of the approved budget;
- approval of in-house audit action plans;
- review of the reports on in-house audit results;
- support in the course of communication with Slavneft's subsidiaries;
- administration of in-house audit policies and procedures (for example, approval of in-house policies and procedures, which are related to the level of the In-House Audit Policy, and amendments thereto; approval of Company's in-house audit organizational documents; approval of business trips; approval of external and third-party experts to be involved in in-house audit inspections).

The in-house auditor – other legal entity shall have no financial and property interest, shall be free from impact, pressure and control both by the Company, and by third parties.

– **Principle of fairness:** the in-house auditor shall be fair and impartial, shall avoid the conflict of interest of any kind. The in-house auditor shall not participate in making the managerial decisions on the Company's financial and business activity, as well as in inspections, if the actual or potential conflict of interests, or other circumstances, which cast doubt on fairness and/ or impartiality, take place.

For avoiding the conflict of interest (hazard to lose the in-house audit independence and fairness of auditor's opinion), the in-house auditor shall abstain from:

- auditing those business areas, for which he/ she was responsible during the year preceding the audit;
- participating in audits and in fulfillment of other tasks in case of competing professional or personal interest (financial, property, family-related or any other interest in the activity of auditees);
- participating in any activity, which may harm his/ her impartiality or may be deemed as causing such harm.

In the report on in-house audit results, the in-house auditor shall:

- confirm the in-house audit organizational independence and individual fairness in front of the Company's General Director, Company's Board of Directors through the Audit Committee of the Company's Board of Directors once per year at least;
- inform the Company's General Director, Company's Board of Directors through the Audit Committee of the Company's Board of Directors about any restrictions of the in-house audit and possible consequences of such restrictions, including factors, which have an adverse impact on in-house audit independence and fairness, and conflicts of interest.

– **Principle of focus on the risk:** the in-house auditor prepares the risk-oriented action plan that defines the in-house audit priorities in accordance with Company's goals and the risk management concept accepted in the Company, taking into account criticality of risks, which are typical to this or that business area; he/ she re-considers and updates the action plan, if necessary.

– **Principle of guarantee continuous submission:** the in-house action plan defines areas, which are subject to continuous submission of guarantees (continuous evaluation of the in-house control performance) based on assessment of risks and risk-factors.

- **Principle of full responsibility:** the in-house auditor is responsible for all in-house audit results, as well as for assessing intermittently compliance of the Policy-defined in-house audit goals, powers and commitments with tasks set forth for the in-house audit.
- **Principle of methodological consistency:** the Company applies common approaches to establishment, management and coordination of the in-house audit function, ensures its consistency with the RM&IHCS methodology.
- **Principle of focus on the Company's strategy:** the in-house auditor shall plan and perform his/ her activity in accordance with the Company development strategy and goals.
- **Principle of effective communication:** the in-house auditor shall create effective relations with stakeholders, including the Company's Board of Directors (Audit Committee of the Company's Board of Directors), Company's General Director, Company's In-House Audit Committee, external auditor and Company's personnel.
- **Principle of honesty:** the in-house auditor shall fulfill his/ her job in an honest, diligent and conscientious manner, shall act within the scope of the Law, and shall disclose the respective information, if it is required pursuant to the Law or International Professional Standards for In-House Audit. The in-house auditor shall not participate purposefully in any acts or actions, which disparage the in-house auditor profession or the Company, shall respect legally and ethically substantiated goals of the Company, shall contribute to gaining of such goals.
- **Principle of confidentiality:** the in-house auditor shall act reasonably and circumspectly when using and keeping the information received in the course of fulfilling his/ her duties, shall not use the information for his/ her own benefit or in any other way that contradicts the Law or may harm to gaining the legally and ethically substantiated goals of the Company.
- **Principle of professional competence:** the in-house auditor shall have and apply in his/ her job the skills and knowledge for audit of Company's business areas, which are required for qualified and complete fulfillment of his/ her duties, shall improve his/ her knowledge, skills and other competences through continuous professional development.

3.3. IN-HOUSE AUDIT GOAL

In-house audit is an activity on providing the independent and unbiased guarantees and consultations, which is focused on enhancement of the Company's business. In-house audit facilitates the Company to gain the defined targets, inter alia, by using the system-wise and consistent approach to assessment and improvement of the risk management/ in-house control efficiency.

The in-house audit goal is to support the Company's Board of Directors and Company's Executive Bodies in enhancing the Company management efficiency, improving its financial and business activity, inter alia, by applying the system-wise and consistent approach to analysis and assessment of the Risk Management and In-House Control System (RM&IHCS) efficiency as a tool to have the reasonable assurance in gaining the targets set forth for the Company.

3.4. IN-HOUSE AUDIT TASKS

For gaining the in-house audit goals, taking into account the available resources and Company business priorities, the in-house auditor shall solve the following main tasks:

1. support Company's Executive Bodies and personnel in development of the RM&IHCS improvement procedures and actions, in monitoring over fulfillment thereof by assessing the Company RM&IHCS reliability and efficiency; ensure:
 - reliability and integrity of the submitted information about Company's financial and business activity;
 - efficiency and performance of the Company's business;
 - identification of internal reserves for enhancing the Company financial and business activity efficiency;
 - preservation of Company's assets.
2. coordinate communication with the external auditor, Company's In-House Audit Committee, as well as with persons who render consultation services in risk management and Company in-house control aspects;
3. carry out in-house audit of the Company;
4. prepare reports on in-house audit results (which shall include the information about material risks, breaches/ weaknesses, results after implementation of the in-house audit recommendations and proposals and efficiency of such recommendations and proposals in terms of addressing the breaches/ weaknesses, results after implementation of the in-house audit action plan, results of assessing the RM&IHCS actual condition, reliability and performance) and submit them to the Company's Board of Directors (Audit Committee of the Board of Directors) and Company's Executive Bodies;
5. improve the audit quality and response promptly to changes related to the Company's business.

3.5. IN-HOUSE AUDIT FUNCTIONS

For solving the defined tasks and gaining the goals, the in-house auditor shall exercise the following functions:

- assess the RM&IHCS reliability and efficiency;
- arrange and carry out in-house audit inspections in accordance with the in-house audit action plan approved by the Company's Board of Directors;
- carry out other audits/ inspections, fulfill other tasks upon instruction of the Company's Board of Directors (Audit Committee of the Company's Board of Directors) and/ or upon instruction of the Company's General Director within the scope of his/ her competence;
- render the risk management and in-house control consultations to Company's Executive Bodies (if in-house audit independence and fairness are kept);
- monitor how the in-house audit recommendations and proposals on RM&IHCS improvement, on addressing the breaches and weaknesses identified in the course of audits/ inspections are implemented;
- support Company's Executive Bodies in investigating the unfair/ unlawful acts made by the personnel and third parties, including negligence, corporate-wise fraud, corruption acts, misuse and different unlawful acts, which harm to the Company;

- develop the in-house action plan based on the risk-oriented approach, which defines the in-house audit priorities;
 - communicate on in-house audit issues with Company’s Departments;
 - control the quality and assessment of audit/ inspection results;
 - exercise other functions, which are required to solve other in-house audit tasks in the Company.

If additional functions and/ or duties, which are not within the in-house audit scope, are assigned to the in-house auditor upon request of the Company’s General Director, Company’s Board of Directors (Audit Committee of the Company’s Board of Directors), protective actions shall be taken to restrict the adverse impact on in-house audit independence and fairness.

In-house audit does not manage functional areas of Company’s business, which require managerial decisions on auditees.

The in-house auditor assesses the RM&IHCS reliability and efficiency, RM&IHCS compliance with the scale and complexity of Company’s business in accordance with Federal Law No.208-FZ “On Joint-Stock Companies” dd. 26.12.1995, in accordance with principles and approaches described in the Corporate Governance Code recommended by letter No.06-52/2463 of the Bank of Russia dd. 10.04.2014, Guidelines for In-House Audit in State-Invested Joint-Stock Companies, Information Letter No.IH-06-28/143 of the Bank of Russia “Regarding Recommendations on Risk Management, In-House Control, In-House Audit, Work of the Board-of-Directors Audit Committee (Supervisory Body) in Public-Joint Stock Companies” dd. 01.10.2020, as well as by applying the common in-house audit standards.

The in-house auditor shall annually prepare the in-house audit report on RM&IHCS reliability and efficiency to be submitted to Company’s shareholders as part of papers for the Annual General Meeting of Company’s Shareholders.

3.6. IN-HOUSE AUDIT POWERS

The in-house auditor is authorized to:

- have direct access to the Chairman of the BoD Audit Committee, Company’s General Director;
- request the information and papers, which are necessary for fulfilling his/ her duties, including an access to computer systems and databases, from Company’s management, and receive such information and papers;
- study the current and future action plans, reports on fulfillment of Company’s plans and programs, draft resolutions and resolutions of the Company’s Board of Directors, Audit Committee of the Company’s Board of Directors and Company’s Executive Bodies;
- inform the Board of Directors (Audit Committee of the Board of Directors), Company’s General Director about proposals on improvement of the existing business systems, processes, standards, methods, as well as about comments on any issues within the in-house audit competence;
- involve Company’s employees, external (third-party) experts in audits/ inspections and in fulfillment of other tasks in line with the procedure set forth by Company’s in-house regulations;
- participate as an invitee in meetings of Company’s working bodies (committees, commissions, task forces, etc.) to notify them about the in-house audit opinion;
- participate as an invitee in meetings of the Board of Directors (Audit Committee of the Slavneft Board of Directors) to discuss the in-house audit issues;

- require and obtain the unimpeded access to assets, documents, accounting notes and other information about Company’s business (including soft copies of such documents and information), which are necessary for fulfilling his/ her job duties; copy respective documents, make the photo/ video recording of Company’s business facts;
- interview Company’s management, other employees of the Company within the scope of audits/ inspections;
- use the information resources and software for in-house audit;
- use the information resources and software of audited Departments in line with the established procedure for in-house audit;
- study and evaluate any documents requested in the course of audit/ inspection (including those, which are outside the timeframe of the audited period, after or before his/ her work with the auditee);
- require and receive the necessary assistance from employees of the audited Departments, as well as assistance from employees of Company’s other Departments;
- fulfill other actions, which are required for gaining other audit goals.

4. PROCEDURE FOR IN-HOUSE AUDIT IN SUBSIDIARIES

The in-house audit function in Subsidiaries can be exercised by:

- arranging the in-house audit via assignment of officials who are in charge of in-house audit arrangement and performance in public subsidiaries (PJS SN-MNG, PJS Slavneft-YaNOS and etc.);
- assigning the Company’s in-house auditor to be a member of Subsidiaries’ In-House Audit Committees for desk audits during preparation of In-House Audit Committees’ reports on reliability of data specified in the financial statements and annual report. Besides, Company’s in-house auditor can be engaged as an expert in audits/ inspections carried out by Subsidiaries’ In-House Audit Committees.

5. COMMUNICATION OF THE IN-HOUSE AUDITOR WITH THE EXTERNAL AUDITOR, SUBJECTS OF THE COMPANY’S RISK MANAGEMENT AND IN-HOUSE CONTROL SYSTEM AND PUBLIC SUPERVISORY AUTHORITIES

5.1. COMMUNICATION WITH THE COMPANY’S BOARD OF DIRECTORS, AUDIT COMMITTEE OF THE COMPANY’S BOARD OF DIRECTORS

Within the scope of his/ her activity, Company’s in-house auditor shall communicate with the Company’s Board of Directors and Audit Committee of the Company’s Board of Directors, inter alia, shall submit the reports on in-house audit results for review of the Board of Directors and Audit Committee of the Company’s Board of Directors.

Along with the report on in-house audit results for the reporting period, the in-house audit action plan for the next period shall be submitted for review of the BoD Audit Committee and for approval of the Company’s Board of Directors. The works schedule, resource plan and information about resource limitations (if any) can be attached to the plan.

5.2. COMMUNICATION WITH THE EXTERNAL AUDITOR

The in-house auditor shall communicate with the Company’s external auditor, including, but not limited to the following:

- share the information about results of assessing the reliability and efficiency of the Company's risk management and in-house control system in terms of preparing the accounting reporting (financial statements);
- discuss action plans of the in-house auditor and external auditor to align them and mitigate their possible duplication;
- analyze the efficiency of implementing the corrective actions, which are aimed at addressing the risk management and in-house control weaknesses in the Company, including weakness of control over preparation of the accounting reporting (financial statements).

5.3. COMMUNICATION WITH THE COMPANY'S IN-HOUSE AUDIT COMMITTEE

Within the scope of controlling the Company's financial and business activity, the in-house auditor shall communicate with the Company's In-House Audit Committee.

Upon initiative of the Company's In-House Audit Committee or upon initiative of the in-house auditor, joint meetings of the Company's In-House Audit Committee and Company's in-house auditor are held to discuss action plans of the In-House Audit Committee, audit/ inspection results, actions focused on addressing the breaches and weaknesses of Company's business.

In the course of its activity, Company's In-House Audit Committee can take into account audits/ inspections, which are carried out by the Company's in-house auditor.

5.4. COMMUNICATION WITH SUBJECTS OF THE COMPANY'S RISK MANAGEMENT AND IN-HOUSE CONTROL SYSTEM

Company's Policy for the Risk Management and In-House Control System defines RM&IHCS goals, tasks and functioning principles in the Company, as well as distribution of duties and powers among its subjects.

The in-house auditor shall communicate with RM&IHCS subjects in terms of sharing the information about risks and in-house control.

If the in-house auditor relies on deliverables of other RM&IHCS subjects and other stakeholders, the in-house auditor is recommended to assess preliminarily the quality and reliability of such deliverables (including the methodology, procedure and rules, which are applied for evaluation; scope and nature of work, etc.).

5.5. COMMUNICATION WITH PUBLIC SUPERVISORY AUTHORITIES

Within the scope of his/ her activity, the in-house auditor shall communicate on the issues, which are fallen with the in-house audit competence, with public supervisory authorities, inter alia, with the Accounting Chamber of the Russian Federation in line with the procedure set forth by the Law and Company's in-house policies and procedures.

6. IN-HOUSE AUDIT QUALITY CONTROL AND IN-HOUSE AUDIT ASSESSMENT

In-house audit is continuously monitored to ensure the proper quality control and assess the in-house audit activity; in-house audit is analyzed from time to time to comply with high standards of in-house audit in the Company.

During continuous monitoring of the in-house audit quality:

- audits/ inspections and other in-house audit activity are supervised;

- in-house audit quality assessment criteria are defined;
- feedback is received from audited Departments and other stakeholders;
- expert evaluation of draft documents is randomly carried out;
- defined in-house audit assessment parameters are analyzed;
- audit risks and management thereof are described and assessed.

Key audit risks are as follows:

- failure to identify (incomplete identification) of breaches and weaknesses;
- wrong identification of breaches and weaknesses;
- failure to fulfill the in-house audit action plan;
- unauthorized access to the confidential information;
- loss of fairness;
- loss of independence.

The in-house auditor shall carry out internal intermittent assessment of the in-house audit quality through self-assessment once per year and shall draft the report on self-assessment results.

External assessment of the in-house audit quality in terms of its compliance with the International Professional In-House Audit Standards of the Institute of Internal Auditors, Code of Ethics of the Institute of Internal Auditors, this Policy, as well as other in-house policies and procedures, which regulate the in-house audit activity, shall be carried out at least once in five years.