

APPROVED

**by the resolution of the General Meeting of Shareholders
of "ALROSA" Company Limited (Closed Joint-Stock Company)
dated 29 June 2002 (Minutes No.16)**

**REGULATIONS
ON PROCEDURE OF CONVENING AND HOLDING OF MEETINGS
AND PASSING RESOLUTIONS BY THE EXECUTIVE COMMITTEE OF
"ALROSA" COMPANY LIMITED
(CLOSED JOINT-STOCK COMPANY)**

1. General Provisions

1.1. These Regulations are adopted in pursuance of clause 1 of Article 70 of the Federal Law On Joint-Stock Companies.

1.2. The Executive Committee is a plural executive body of “ALROSA” Company Limited (Joint-Stock Company) (hereinafter referred to as the “Company”).

1.3. In the course of its activities, the Executive Committee shall be governed by the laws of the Russian Federation, the Charter of the Company, these Regulations and other internal normative documents of the Company

1.4. Powers of the Executive Committee shall be as fixed by the Federal Law “On Joint-Stock Companies”.

1.5. Functions of the Chairman of the Executive Committee shall be performed by the President of the Company or any person performing his duties.

2. Term and Procedure of the Executive Committee Convening

2.1. Meetings of the Executive Committee shall be convened on initiative of the President of the Company as necessary, but in any case not less than once a quarter.

2.2. Meetings of the Executive Committee shall also be convened immediately if it is necessary for Company’s interests.

2.3. Drawing up of the agenda of a meeting of the Executive Committee shall be made by the President (CEO) of the Company.

On request of members of the Executive Committee, any additional items may be entered into the agenda.

2.4. Any necessary materials on the items included into the agenda of a meeting of the Executive Committee shall be timely presented to the President of the Company.

2.5. Any proposals on items of the agenda of a meeting of the Executive Committee, in respect of which resolutions should be passed, shall be submitted to the President no later than 5 business days prior to the date of the meeting of the Executive Committee.

2.6. Any informational and reference materials and draft resolutions shall be prepared in advance on any questions proposed to the meeting of the Executive Committee.

3. Procedure of Meetings and Passing Resolutions by the Executive Committee

3.1. At its meetings, the Executive Committee shall pass resolutions on any matters of competence of the Executive Committee as fixed by the Federal Law On Joint-Stock Companies and the Charter of the Company.

3.2. The President shall preside at meetings of the Executive Committee, and in case the President is absent – any person performing his duties shall take the chair.

3.3. If necessary, any meeting of the Executive Committee or considering of any item of the agenda may be adjourned by the President after hearing the opinions of members of the Executive Committee on that matter.

3.4. The Executive Committee shall be entitled to pass resolutions, provided at least half of its members are present at such meeting.

3.5. Each Member of the Executive Committee shall have one vote. Resolutions of the Executive Committee shall be passed by majority of votes of the members present. In case of equality of votes, vote of the President of the Company shall be casting.

3.6. In the course of considering of any matters at meetings of the Executive Committee, any staff-members, Shareholders or their authorized representatives, members of the Supervisory Board, experts, other persons, may be present at such meetings. The President of the Company shall make decisions on participation of any persons other than members of the Executive Committee in the meeting of the Executive Committee.

4. Minutes of the Executive Committee Meetings

4.1. Minutes shall be taken at any meeting of the Executive Committee; any minutes shall be signed by the Chairman and the Secretary of the meeting. Any minutes shall specify:

- the date, serial number and the place of the meeting of the Executive Committee;
- persons present at the meeting;
- the agenda of the meeting;

- details of any speakers and the key points of their speeches;
- the results of voting and resolutions passed.

Any attendant materials in writing or in any other form (audio or other records) shall be attached to the minutes.

4.2. Any objections to the minutes shall be stated by a member of the Executive Committee in writing within three days after reviewing the minutes.

4.3. Resolutions of the Executive Committee shall be notified to the executing staff within five days after their passing. Materials of any meetings of the Executive Committee shall be kept in the office of Administration of the Company (in the city of Mirny) for two years and shall be transferred to the archive of the Company afterwards.

4.4. Minutes of meeting of the Executive Committee shall be provided to all members of the Supervisory Board, the Auditing Committee and the external Auditor of the Company, on their request.

4.5. The Company shall provide access to minutes of meetings of the Executive Committee to any Shareholders (Shareholder) holding jointly at least 25 percent of voting shares of the Company; besides, the Company shall provide them copies of such documents for consideration, under the terms and conditions as fixed by article 91 of the Federal Law On Joint-Stock Companies.

The consideration charged by the Company for providing copies of documents may not exceed the cost of their making and dispatching by mail.

5. Final Provisions

5.1. Where, in pursuance of duly entered amendments into any laws or other normative acts of the Russian Federation, any particular articles of the present Regulations come into conflict therewith, such articles shall be null and void, and, prior to entering amendments into the Regulations, the General Meeting of Shareholders shall be governed by the laws and other normative legal acts of the Russian Federation to the extent of such invalid articles.

5.2. Any amendments and supplements to these Regulations shall be entered by resolution of the General Meeting of Shareholders of the Company.