

**Notice of material facts and insider information
on resolutions adopted by the Supervisory Board of the Issuer**

1. General data	
1.1. Full company name of the issuer	Public Joint Stock Company ALROSA
1.2. Short company name of the issuer	PJSC ALROSA
1.3. Location of the issuer	6, Lenina St., Mirny, Republic of Sakha (Yakutia), Russian Federation
1.4. OGRN (Main State Registration Number) of the issuer	1021400967092
1.5. INN (Taxpayer Identification Number) of the issuer	1433000147
1.6. Issuer's unique code assigned by the registration authority	40046-N
1.7. Internet website used by the issuer for information disclosure	http://www.alrosa.ru/; http://www.e-disclosure.ru/portal/company.aspx?id=199
1.8. Date of the reported event (material fact) (if applicable)	November 28, 2018
2. Content of the Notice	
<p>2.1. Quorum for the absentee voting of the Supervisory Board of the Issuer: 15 (fifteen) members of 15 (fifteen) elected members of the Supervisory Board of PJSC ALROSA participated in the absentee voting. Quorum for adopting resolutions was present.</p> <p>2.2. Results of the voting on the issues of the agenda and content of the resolutions adopted by the Supervisory Board of the Issuer:</p> <p style="text-align: center;">1. On recognizing the member of the Supervisory Board of PJSC ALROSA Maria Vladimirovna Gordon as the independent director.</p> <p>Results of the voting: For – 15: N.P. Alexandrov, M.V. Gordon, E.V. Grigorieva, K.A. Dmitriev, I.Y. Yelizarov, S.S. Ivanov, D.V. Konov, G.M. Makarova, S.V. Mestnikov, A.V. Moiseev, A.S. Nikolayev, A.G. Siluanov, V.V. Solodov, O.R. Fedorov, A.O. Chekunkov. Against – none Abstain – none The resolution was adopted unanimously.</p> <p>Adopted resolution: To recognize the member of the Supervisory Board Maria Vladimirovna Gordon as the independent director of PJSC ALROSA (hereinafter – the Company) despite the fact of the formal criteria of her affiliation with the significant counterparty of the Company – CCP NCC (JSC) (sub-clause 1, clause 6 Annex 4 to Listing Rules of PJSC Moscow Exchange, approved by the resolution of the Supervisory Board of PJSC Moscow Exchange on July 10, 2018 (minutes 3)) (hereinafter – Listing Rules), due to the following: M.V. Gordon was first elected to the Supervisory Board on June 25, 2015 at the Annual General Meeting of Shareholders of the Company (minutes No 33 of June 26, 2015). On February 7, 2018, M.V. Gordon was recognized as the independent director by the Supervisory Board of the Company (minutes No A01/269-PR-NS of February 12, 2018), despite the fact of the formal criteria of her affiliation with the significant counterparty of the Company – CCP NCC (JSC). M.V. Gordon was included in the list of candidates for election to the Supervisory Board of the Company at the Annual General Meeting of Shareholders upon the results of 2017. On June 22, 2018, the Supervisory Board (Minutes No A01/273-PR-NS of June 25, 2018) recognized M.V. Gordon as the independent candidate to the Supervisory Board of the Company for election at the Annual General Meeting of Shareholders upon the results of 2017, despite the fact of the formal criteria of her affiliation with the significant counterparty of the Company – CCP NCC (JSC). On June 26, 2018, at the Annual General Meeting of Shareholders (Minutes No 37 of June 29, 2018) M.V. Gordon was elected to the new composition of the Supervisory Board of the Company.</p>	

On October 22, 2018, at the Extraordinary General Meeting of Shareholders (Minutes No 39 of October 22, 2018) M.V. Gordon was elected to the new composition of the Supervisory Board of the Company.

In assessing M.V. Gordon's compliance with the criteria of independence of the Supervisory Board members, established by the Listing Rules, it was identified that M.V. Gordon was affiliated with the significant counterparty – CCP NCC (JSC), since M.V. Gordon is the member of the Supervisory Board of PJSC Moscow Exchange, and an agreement between PJSC ALROSA and CCP NCC (JSC), which is a controlled entity of PJSC Moscow Exchange, have been concluded on providing clearing services, according to which PJSC ALROSA carries out transactions in the currency and money (sale/purchase of currency and placement of cash in deposits) markets with the central counterparty – CCP NCC (JSC). On the total volume of transactions conducted within the agreement on providing clearing services (the amount of money placed on deposits; the amount of purchased/alienated currencies), the transactions exceed two percent of the book value of consolidated proceeds and consolidated assets of PJSC ALROSA), thus CCP NCC (JSC) is a significant counterparty of PJSC ALROSA.

However, such affiliation is formal and does not affect the ability of M.V. Gordon to make independent, objective and bona fide judgements considering that:

1. Despite the fact that CCP NCC (JSC) acts as the counterparty for the currency and deposit transactions performed by PJSC ALROSA, when analyzing the nature and size of obligations only the amount of commission (remuneration) matters which CCP NCC (JSC) receives for acting as a central counterparty in the framework of the agreement on providing clearing services, as:

- in accordance with Article 3 of the Federal Law "On clearing, clearing activity and central counterparty", a clearing organization in accordance with an agreement on providing clearing services undertakes, in accordance with the rules of clearing, to provide clearing services to a clearing participant, and clearing participants undertake to pay for these services. Thus, the price of the agreement on providing clearing services is the amount of remuneration for the services provided by a clearing organization;

- as such, foreign exchange and depositary transactions are not inherently expendable for PJSC ALROSA and profitable for CCP NCC (JSC). The commission is the only economic benefit for CCP NCC (JSC) (and the only expense for PJSC ALROSA) from foreign exchange and deposit operations. CCP NCC (JSC) within the framework of these relations is actually an agent transferring the property from one person to another and withdrawing commission for its services.

If the amount of commission of CCP NCC (JSC), and not the total amount of transactions, is taken into account as a criterion for attributing to significant counterparties, then CCP NCC (JSC) and PJSC ALROSA are not considered significant counterparties.

CCP NCC (JSC) does not and cannot affect decisions adopted by the Company. Impact on the economic activity of the Company is only limited to the concluded agreement. In accordance with the agreement between the Company and CCP NCC (JSC), the maximum remuneration is limited to the size of commission of the central counterparty upon made transactions.

M.V. Gordon is a member of the Supervisory Board of PJSC Moscow Exchange, which controls CCP NCC (JSC), in this regard, according to sub-clause 1, Clause 6, Annex 4 to the Listing Rules of PJSC Moscow Exchange, M.V. Gordon is considered a person affiliated with the significant counterparty of the Company.

M.V. Gordon satisfies all the criteria of independence of members of the board of directors determined by the Listing Rules, except the criterion of affiliation with significant counterparties of the Company.

M.V. Gordon faithfully serves as the member of the Supervisory Board of the Company, takes an active part in meetings of the Supervisory Board of the Company, votes in accordance with the long-term plans of the Company, represents interests of all the shareholders.

Taking the above into account, the Supervisory Board of the Company has all the reasons to believe that Maria Vladimirovna Gordon's affiliation with the significant counterparty of the Company – CCP NCC (JSC) – is formal, and does not affect the ability of the member of the Supervisory Board M.V. Gordon to form independent, objective and bona fide judgements and believes that years of experience, high professional qualification and personal responsibility, business reputation, objective and unbiased position based on principles of legality, fairness and equal treatment for all shareholders of the Company, allow her to make objective decisions which fully meet interests of the Company and its shareholders, regardless of influence of any other persons.

2. Approval of the initial (maximum) price of audit services at an open tender "Right to conclude the contract to perform statutory audit of accounting (financial) statements of PJSC ALROSA, prepared in accordance with the Russian legislation, and consolidated financial statements of ALROSA Group, prepared in accordance with the International Financial Reporting Standards upon the results of 2019-2021", with the justification of the initial (maximum) price.

Results of the voting:

For – 15: N.P. Alexandrov, M.V. Gordon, E.V. Grigorieva, K.A. Dmitriev, I.Y. Yelizarov, S.S. Ivanov, D.V. Konov, G.M. Makarova, S.V. Mestnikov, A.V. Moiseev, A.S. Nikolayev, A.G. Siluanov, V.V. Solodov, O.R. Fedorov, A.O. Chekunkov.

Against – none

Abstain – none

The resolution was adopted unanimously.

Adopted resolution:

1. To approve the initial (maximum) price of audit services at an open tender “Right to conclude the contract to perform statutory audit of accounting (financial) statements of PJSC ALROSA, prepared in accordance with the Russian legislation, and consolidated financial statements of ALROSA Group, prepared in accordance with the International Financial Reporting Standards upon the results of 2019-2021” in the amount as follows:

RUB 126,455,000 (One hundred and twenty-six million four hundred and fifty-five thousand) without VAT for three years (2019-2021), including:

2019 – RUB 41,485,000 without VAT,

2020 – RUB 42,235,000 without VAT,

2021 – RUB 42,735,000 without VAT.

The price includes:

- Audit of annual accounting (financial) statements of PJSC ALROSA, prepared in accordance with the Russian legislation, for 2019, 2020 and 2021 years, as well as review of interim accounting (financial) statements of PJSC ALROSA, prepared in accordance with the Russian legislation, upon the results of 6 months of 2019, 2020 and 2021 in rubles;
- Audit of annual consolidated financial statements of ALROSA Group prepared in accordance with the International Financial Reporting Standards for 2019, 2020 and 2021 years, in rubles and in US dollars, as well as review of interim consolidated financial statements of ALROSA Group prepared in accordance with the International Financial Reporting Standards upon the results of 6 months of 2019, 2020 and 2021 in rubles.

The price includes travel and overhead expenses.

The VAT is paid in accordance with the rate determined by the Russian legislation.

1. To approve the following justification of the initial (maximum) price for 2019-2020.

The initial (maximum) price of the agreement for statutory audit of accounting (financial) statements of PJSC ALROSA prepared in accordance with the Russian legislation, and consolidated financial statements of ALROSA Group, prepared in accordance with the International Financial Reporting Standards upon results of 2019-2021 is determined in accordance with Part 6, Article 22 of the Federal Law of April 5, 2013 No 44-FZ “On the contract system in state and municipal procurement of goods, works and services” (hereinafter – the Law on the contract system) and Methodological recommendations for applying methods of determination of the initial (maximum) price of a contract, price of a contract with a sole supplier (contractor), approved by the order of the Ministry of Economic Development of the Russian Federation of October 2, 2013 No 567 (hereinafter – Methodological recommendations) with the use of the method of comparable market prices (market analysis).

In order to apply the method of comparable market prices, in accordance with Part 5, Article 23 of the Law on the contract system and Section 3 of Methodological recommendations, the information on prices for services obtained by request of PJSC ALROSA from audit companies which can provide similar services, that have high qualification and sufficient experience for conducting audit in scale and duration necessary for PJSC ALROSA.

In order to justify the initial (maximum) price of the contract and to form its balanced value, PJSC ALROSA used the arithmetic mean value of offers of 4 (four) audit companies, in accordance with their official responses on prices for provided services:

RUB

Audit company	Price for service (without VAT)			
	2019-2021	Including:		
		2019	2020	2021
Company A (outgoing No 2523 of September 18, 2018)	120,000,000	40,000,000	40,000,000	40,000,000
Company B (outgoing No 0918/ES1240 of	118,500,000	39,500,000	39,500,000	39,500,000

September 21, 2018)				
Company C (outgoing No 183967 of September 24, 2018)	140,000,000	44,000,000	47,000,000	49,000,000
Company D (outgoing without number of September 24, 2018)	127,320,000	42,440,000	42,440,000	42,440,000
Arithmetic mean value of offers	126,455,000	41,485,000	42,235,000	42,735,000

3. Amendments to the Regulations on the branch of PJSC ALROSA “DIAMONDS ALROSA”.

Results of the voting:

For – 15: N.P. Alexandrov, M.V. Gordon, E.V. Grigorieva, K.A. Dmitriev, I.Y. Yelizarov, S.S. Ivanov, D.V. Konov, G.M. Makarova, S.V. Mestnikov, A.V. Moiseev, A.S. Nikolayev, A.G. Siluanov, V.V. Solodov, O.R. Fedorov, A.O. Chekunkov.

Against – none

Abstain – none

The resolution was adopted unanimously.

Adopted resolution:

To introduce amendments to the Regulations on the branch of PJSC ALROSA “DIAMONDS ALROSA”, approved by the Supervisory Board on March 21, 2014 (Minutes No 211) (with consequent amendments) according to Annex **3-1** to the minutes.

4. Amendments to the Regulations on the branch of PJSC ALROSA “The United Selling Organization (USO) ALROSA”.

Results of the voting:

For – 15: N.P. Alexandrov, M.V. Gordon, E.V. Grigorieva, K.A. Dmitriev, I.Y. Yelizarov, S.S. Ivanov, D.V. Konov, G.M. Makarova, S.V. Mestnikov, A.V. Moiseev, A.S. Nikolayev, A.G. Siluanov, V.V. Solodov, O.R. Fedorov, A.O. Chekunkov.

Against – none

Abstain – none

The resolution was adopted unanimously.

Adopted resolution:

To introduce amendments to the Regulations on the branch of PJSC ALROSA “The United Selling Organization (USO) ALROSA”, approved by the Supervisory Board on March 21, 2014 (Minutes No 211) (with consequent amendments) according to Annex **4-1** to the minutes.

5. Approval of the Regulations on Remuneration to the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA in the new wording.

Results of the voting:

For – 14: N.P. Alexandrov, M.V. Gordon, E.V. Grigorieva, K.A. Dmitriev, I.Y. Yelizarov, S.S. Ivanov, D.V. Konov, G.M. Makarova, S.V. Mestnikov, A.V. Moiseev, A.S. Nikolayev, A.G. Siluanov, V.V. Solodov, A.O. Chekunkov.

Against – none

Abstain – 1 vote: O.R. Fedorov

The resolution was adopted unanimously.

Adopted resolution:

1. To approve the Regulations on Remuneration to the Chief Executive Officer – Chairman of the Executive Committee of PJSC ALROSA in the new wording according to Annex **5-1** to the minutes;

2. To recognize the Regulations on Remuneration to the President of PJSC ALROSA, approved by the Supervisory Board of PJSC ALROSA on October 6, 2015 (Minutes No A01/235-PR-NS of October 9, 2015), with the amendments introduced by the resolution of the Supervisory Board of PJSC ALROSA on August 26, 2016 (Minutes No A01/246-PR-NS of August 31, 2016), as no longer valid.

2.3. Date of the absentee voting of the Supervisory Board of the Issuer at which relevant resolutions were adopted: November 27, 2018.

2.4. Date and number of the minutes of the absentee voting of the Supervisory Board of the Issuer at which relevant resolutions were adopted: November 28, 2018, Minutes N A01/284-PR-NS.

2.5. In case the agenda of the meeting of the Supervisory Board of the Issuer contains issues concerning the exercising of the rights to particular securities of the Issuer, identifying features of such securities are indicated: ordinary uncertified registered shares, state registration number of the issue of securities: 1-03-40046-N, date of its state registration: August 25, 2011, ISIN code: RU0007252813.

3. Signature

**3.1 Head of Corporate Governance Department –
Corporate Secretary of PJSC ALROSA**

Acting on the basis of the Power of Attorney No 295 of October 1, 2018

M.V. Razdolkin

3.2. Date: November 28, 2018