

APPROVED

by the Resolution of the General Shareholders
Meeting
of Joint-Stock Company INK-Capital
Minutes No. 46 dated December 27, 2019

**REGULATIONS
ON INTERNAL AUDIT COMMITTEE
OF JSC INK-CAPITAL**

New Version

Irkutsk

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I. GENERAL PROVISIONS

- 1.1 These Regulations (hereinafter referred to as the Regulations) are compiled in accordance with the Russian Civil Code, Federal Law ON JOINT STOCK COMPANIES, other legal acts of the Russian Federation, Charter of the Joint Stock Company INK-Capital (hereinafter referred to as the Company) and regulate activities of the Internal Audit Committee of the Company.
- 1.2 The Company's Internal Audit Committee being a permanent elective body shall carry out control over the Company's financial and business operations, activity of its management bodies and officers (including its separate departments, services, branches and representative offices) by arranging from time to time documentary and physical audits.
- 1.3 In its work the Internal Audit Committee shall be governed by the Russian law, Company Charter, the Regulations, and other internal documents relating to the Internal Audit Committee's activity.
- 1.4 The Internal Audit Committee's competence is set forth by the Federal Law ON JOINT STOCK COMPANIES and the Company Charter.

II. TERMS AND DEFINITIONS

- 2.1 Terms and definitions used in the Regulations shall be applied in the meaning that they have in the Russian law on joint stock companies and securities, unless otherwise provided by the Regulations.
- 2.2 For the purposes of the Regulations, the following terms and definitions are used:

Term	Definition
General Meeting	The General Meeting of the Company Shareholders (the supreme management body of the Company).
Proposal	The proposal on nomination of candidates to the Internal Audit Committee.
Internal Audit Committee	The Internal Audit Committee of the Company.
Board of Directors	The Board of Directors of the Company, or the Board.

III. ELECTION OF INTERNAL AUDIT COMMITTEE MEMBERS

- 3.1 Members of the Internal Audit Committee shall be elected by the Board of Directors. Persons elected to the Internal Audit Committee may be re-elected an unlimited number of times.
- 3.2 Members of the Board of Directors (hereinafter also referred to as the Board Members) shall be entitled to nominate candidates to the Internal Audit Committee at the meeting of the Board of Directors (hereinafter also referred to as the Board Meeting).

The Proposal shall be received by the Company and the Chairman of the Board of Directors not later than 60 (Sixty) days before the expiration term of the Internal Audit Committee established by the Company Charter, or prior to the Board Meeting where the issue on early termination of the Internal Audit Committee powers is planned to be reviewed.

In the event of convocation of the Board Meeting on early termination of the Internal Audit Committee powers, the Chairman of the Board shall send a notification to the Board Members prior to the proposed Board Meeting to provide the Board Members with an opportunity to nominate candidates to the Internal Audit Committee. The notification shall contain the following information:

- planned date of the Board Meeting when the issue on early termination of the Internal Audit Committee powers will be reviewed;
- initiator of the Board Meeting where the issue on early termination of the Internal Audit Committee powers is planned to be reviewed;
- deadline for sending Proposals and which shall not be less than 3 (Three) days from receiving a notification.

A number of candidates in one Proposal shall not exceed the number of members of the Internal Audit Committee established by the Company Charter.

- 3.3 Proposals shall be submitted in writing. Oral Proposals shall be disregarded unless the Proposal is made at the joint presence Board Meeting which was audio- or video-taped.

Proposals shall be signed by the Board Members making the respective Proposal.

- 3.4 Proposals shall include a questionnaire form containing information on the candidate (Appendix 1 to the Regulations).

The Proposal shall be accompanied by:

- (i) candidate's consent for election (appointment) to the Internal Audit Committee (in the form provided in Appendix 2 to the Regulations);
- (ii) candidate's consent for collection, storage, processing, and transfer of personal data by the Company (in the form provided in Appendix 3 to the Regulations).

- 3.5 Each Proposal shall be reviewed by the Board separately from other Proposals.
- 3.6 A Proposal shall not be declined due to its misprints or technical flaws if the content of the Proposal conveys the will of the Board Member. In the event the Proposal contains significant drawbacks, the Company shall inform the Board Members beforehand to ensure an opportunity to make amendments before the Proposal is reviewed by the Board.
- 3.7 The Board Members, the person executing duties of the sole executive body of the Company, and other persons holding positions in the Company's management bodies shall not be members of the Internal Audit Committee.

- 3.8 In the event the Board Members propose no candidates or the number of candidates to the Internal Audit Committee is insufficient, the Board shall be entitled to nominate candidates for election to the Internal Audit Committee at its discretion.
- 3.9 The Internal Audit Committee consisting of 3 (Three) persons shall be elected for the period until the next Annual General Meeting unless otherwise provided by the Company Charter.

The powers of all or some Internal Audit Committee Members may be terminated earlier upon the resolution of the Board.

- 3.10 The Board may resolve on early termination of powers of Committee Members only simultaneously with the resolution on election of new Internal Audit Committee Members.

Powers of some or all members of the Internal Audit Committee may be terminated earlier upon resolution of the Board based on the following grounds:

- absence of an Internal Audit Committee Member at Internal Audit Committee Meetings or non-participation in the Internal Audit Committee's work for 6 (Six) consecutive months;
- during audit, the Internal Audit Committee Member (Members) unduly studied documents and materials relating to the subject of the audit which resulted in wrong reports of the Internal Audit Committee;
- disclosure of confidential information and/or commercial secret of the Company;
- negligence and/or improper performance of duties;
- major and regular violations by the Internal Audit Committee of the terms and format of reports on the audit results violating rules and procedure of accounting records maintenance and preparation of financial statements;
- filing a personal statement on inability to perform duties as an Internal Audit Committee Member;
- other actions (inactions) by the Internal Audit Committee Members which had a negative impact on the Company.

IV. INTERNAL AUDIT COMMITTEE'S RIGHTS AND RESPONSIBILITIES

- 4.1 In order to duly exercise its duties the Internal Audit Committee shall be entitled to:
- request explanations from the Board Members, the person acting as the sole executive body of the Company, and other Company's employees, including any officers, on the issues falling within the competence of the Internal Audit Committee;
 - raise a question before management bodies about the responsibility of Company's employees, including officers, in case they violate the Charter, regulations, rules and guidelines applied by the Company;

- contract specialists not holding positions in the Company;
- request and receive documents and materials on the Company's financial and business activity required for the Internal Audit Committee's work from the Company's management bodies, its departments, services, branches, representative offices and officers. The requested documents shall be provided to the Internal Audit Committee within 3 (Three) business days upon request;
- request convocation of Board Meetings and Extraordinary General Meetings in case revealed violations in production, commercial and financial operations require passing resolutions on issues falling within the competence of such management bodies of the Company.

4.2 Resolution on the Request for convocation of an Extraordinary General Meeting shall be passed by a simple majority of votes of the Internal Audit Committee Members present at the meeting and filed to the Company in a written form by means of a registered letter with notification of its delivery, or by other registered mail, or by DHL, UPS, or other courier services; or by handing over to the authorized officer of the Company against signature.

The date of the Request shall be determined by the date of signing the delivery receipt, if the request is sent by registered letter or other registered mail; or by the date indicated on the calendar stamp confirming the date of postal receipt; if the Request is handed over against signature, the date of signature is considered to be the date of the Request of convocation of the Extraordinary General Meeting and/or the Board Meeting. The Request shall be signed by those Internal Audit Committee Members who voted for it.

The Request of the Internal Audit Committee shall contain:

- wording of agenda issues and resolutions on them;
- reasons for raising these agenda issues;
- proposed form of the General Meeting and/or the Board Meeting.

4.3 The Internal Audit Committee shall:

- carry out its activity solely in the interests of the Company;
- timely inform the General Meeting, and/or the Board of Directors, and the person exercising duties of the sole executive body of the results of conducted audits in form of a report or an act;
- assess the accuracy of data included into the Company's annual report and annual accounting statements before their approval by the General Meeting;
- not disclose confidential data, keep commercial secret of the Company, or other information protected by law and internal regulations of the Company and to which the Internal Audit Committee Members have access at exercising their duties;

- record violations of legal acts, Company Charter, its regulations, rules and guidelines by the Company's employees and officers;
- carry out an audit of the Company's financial and business operations based on the results of the Company's annual activity, as well as at any time at the request of persons indicated in the Federal Law ON JOINT STOCK COMPANIES, Company Charter and the Regulations;
- take all necessary measures to identify any potential violations and facilitate their elimination.

4.4 Members of the Internal Audit Committee shall be liable for improper performance of their duties.

Improper performance of duties may take the following forms:

- loss, damage to or falsification of documents and materials, including accounting records received by the Internal Audit Committee;
- disclosure of confidential information, official and commercial secrets of the Company, or other information protected by law and internal regulations of the Company and to which the Internal Audit Committee Members have access at exercising their duties;
- unfair and improper audits of the Company's financial and business operations, untimely provision of acts and reports of the Internal Audit Committee to the Company's bodies;
- concealing revealed information on abuse of powers by officers or employees of the Company or supporting the abuse of powers;
- intentional misleading of officers, employees, shareholders of the Company or the Board Members about the Company's activity;
- attempts to impede legal actions of employees of the Company at exercising their duties, bringing pressure on officers and employees of the Company with the purpose of inducing them to illegal actions or actions (inactions) causing damages to the Company;
- involvement into corruption;
- destruction, damage, alienation in their own interest of any part of the Company's property;
- other cases of unfair or improper performance of their duties.

V. INTERNAL AUDIT COMMITTEE'S WORK PROCESS

5.1 The chairman of the Internal Audit Committee (hereinafter referred to as the Chairman) shall organize and control the Internal Audit Committee's activity. The Chairman shall be elected by the Internal Audit Committee Members from among their number by majority votes of the total elected Internal Audit Committee

Members and may be re-elected at any time. The Chairman shall organize the work of the Internal Audit Committee, convene and preside over Internal Audit Committee Meetings, organize recording of Minutes at Internal Audit Committee Meetings.

- 5.2 The Internal Audit Committee Meeting is legally competent (has a quorum) in case more than a half of elected Internal Audit Committee Members participates in the meeting. In the event of absence of the quorum, the Internal Audit Committee Meeting shall be postponed to a later date, but not more than to 10 (Ten) days.
- 5.3 Voting on agenda issues at the Internal Audit Committee Meeting shall be exercised by the majority of Internal Audit Committee Members. The voting right of one Internal Audit Committee Member shall not be assigned to another person, including another Internal Committee Member.

Each Internal Audit Committee Member shall have one vote at passing resolutions at Internal Audit Committee Meetings. In the event of tied vote the Chairman of the Internal Audit Committee shall have the casting vote.

- 5.4 The Chairman may invite the following persons to the Internal Audit Committee Meeting: Board Members, the person exercising duties of the sole executive Company's body, officers and heads of Company's departments, representatives of the Company's auditor, experts and advisors.

VI. AUDIT PROCEDURE

- 6.1 The scheduled audit of financial and business operations of the Company shall be carried out based on the results of its annual activity.
- 6.2 The unscheduled audit of financial and business operations of the Company shall be carried out:
 - upon the Internal Audit Committee's initiative;
 - upon the resolution of the General Meeting;
 - upon the resolution of the Board;
 - upon the request of the Company's shareholder (shareholders) owning jointly not less than 10 (Ten) percent of the Company's voting shares.
- 6.3 The Chairman of the General Meeting or the Chairman of the Board shall send a copy of the Minutes (its Extract) to the Committee Members not later than 3 (Three) business days after compiling the Minutes of the General Meeting or the Board Meeting at which the resolution on the unscheduled audit of financial and business operations was passed.
- 6.4 Shareholders initiators shall submit a written Request to the Internal Audit Committee containing:
 - full name of shareholders who are audit's initiators;
 - data on shares held by such shareholders (number, category and type);

- reasoned grounds for such a request.

The Request shall be signed by the shareholder or its authorized representative. Should the Request be signed by an authorized representative, the power of attorney shall be attached.

In the event that the audit is initiated by shareholders being legal entities the signature of a legal entity's representative acting pursuant to its Charter shall be certified by the seal of this legal entity (if applicable).

- 6.5 The Request of shareholders being audit's initiators for unscheduled audit shall be sent to the Company in a written form by a registered letter with notification of its delivery, or by other registered mail, or by DHL, UPS, or other courier services; or by handing over against signature to an authorized officer of the Company.

The date of the Request shall be determined by the date of signing the delivery receipt, if the request is sent by registered letter or other registered mail; or by the date indicated on the calendar stamp confirming the date of postal receipt; if the Request is handed over against signature, the date of signature is considered to be the date of the Request for unscheduled audit.

The authorized officer of the Company, having received the above mentioned Request shall immediately send a copy of it to all Internal Audit Committee Members.

- 6.6 Within 10 (Ten) business days following the date of the Request, the Internal Audit Committee shall decide on auditing of the Company or send a justified refusal from auditing to an applicant.

- 6.7 The Internal Audit Committee may refuse from auditing in the following cases:

- The shareholders filing the Request do not own a sufficient number of voting shares;
- The data used to initiate the audit had been audited by the Internal Audit Committee and a respective report had been compiled.

- 6.8 Initiators of an audit of the Company's financial and business operations shall be entitled to withdraw their request at any time before the Internal Audit Committee decides to carry out the audit by notifying the Internal Audit Committee thereof in writing.

VII. INTERNAL AUDIT COMMITTEE'S DOCUMENTS

- 7.1 The documents of the Internal Audit Committee include:

- Minutes of the Internal Audit Committee Meetings;
- the Internal Audit Committee's acts upon audit's results;
- the Internal Audit Committee's reports;

- copies of requests of the Internal Audit Committee for convocation of Extraordinary General Meeting and/or the Board Meeting.

7.2 The Minutes of the Internal Audit Committee Meeting shall include:

- the date, place and form of the meeting;
- the list of Internal Audit Committee Members present at the meeting (participating in the meeting by filling questionnaires);
- information on the meeting's quorum;
- issues included in the meeting agenda;
- key points of speeches and reports on agenda issues (only for joint presence meetings);
- voting results with indication of Internal Audit Committee Members who expressed a dissenting opinion;
- resolutions passed by the Internal Audit Committee.

Minutes of the Internal Audit Committee Meeting shall be signed by all Internal Audit Committee Members, except for those members who have a dissenting opinion regarding resolutions passed at the meeting.

7.3 The Act on the audit results shall be compiled not later than 5 (Five) business days following the audit's completion.

The Act shall contain a structured overview of documented facts of violations in Company's financial and business operations revealed in the course of the audit or indication of absence of such violations, as well as conclusions and suggestions of the Internal Audit Committee regarding elimination of revealed violations.

The Act shall be signed by all Internal Audit Committee Members and filed to the person exercising duties of the sole executive body of the Company. The person exercising duties of the sole executive body shall be entitled to provide his/her objections and/or documents on revealed violations within 3 (Three) business days.

7.4 Based on the Act on the audit results, the Internal Audit Committee shall make a Report including the following information:

- brief data on the audited Company;
- data on the Internal Audit Committee Members;
- audited period;
- confirmation of accuracy of the annual report and annual accounting statements of the Company (in case of an annual activity audit);

- documentation of violations of accounting records maintenance procedure and filing financial statements procedure established by legal acts in carrying out financial and business activity of the Company;
- information on contracted specialists involved for auditing certain areas of financial and business activity who do not hold positions in the Company, contracts concluded and executed with them.

7.5 The Report shall be signed by all Internal Audit Committee Members carrying out the audit except for the Internal Audit Committee Members who have a dissenting opinion on the results of the audit. All disputes arising at compiling of the Report shall be settled by majority voting.

If an Internal Audit Committee Member does not agree with the Report, he/she shall be entitled to state his/her dissenting opinion which will be attached to the Internal Audit Committee's Report and will be an integral of thereof.

7.6 The Report on the audit results shall be compiled not later than 10 (Ten) business days from the audit's completion.

Within a five day period from its preparation the Internal Audit Committee's Report shall be brought to the notice of the Board, the person exercising duties of the sole executive body, and the audit's initiator provided that it was the Company's shareholder.

7.7 All Internal Audit Committee's documents shall be kept at the location of the Company.

Minutes of Internal Audit Committee Meetings and Acts on the audit results shall be kept by the Chairman.

Reports on the audit results shall be kept by the Corporate Secretary of the Company.

7.8 Internal Audit Committee's Reports shall be provided to persons entitled to have access to these documents in accordance with the applicable law of the Russian Federation and pursuant to the procedure set forth by the applicable Russian law, Company Charter and internal documents of the Company.

VIII. FINAL PROVISIONS

8.1 The Regulations on the Internal Audit Committee shall be approved by the General Meeting. The resolution on its approval shall be passed in accordance with requirements of the applicable Russian law and the Company Charter.

The Regulations shall enter into force upon the approval by the General Meeting unless otherwise specified by the resolution of the General Meeting.

8.2 In the event that the law of the Russian Federation and/or the Company Charter is amended, those provisions of the Regulations contradicting with the Russian law and/or the Company Charter shall cease to be in force and Internal Audit Committee's operations shall be governed by applicable Russian law and/or the Company Charter.

**Questionnaire Form of a candidate to the Internal Audit Committee
of JSC INK-Capital**

1.	Personal Details	
	<i>Full name</i>	
	<i>Date of birth</i>	
	<i>Passport data (series and number, date and place of issuance, authority that issued the document)</i>	
	<i>Residence Address</i>	
2.	Education	
3.	Employment Details	
	<i>Primary employment</i>	
	<i>Position</i>	
4.	Membership and positions held by the candidate in management bodies of other legal entities for the past 5 (Five) years	
5.	Legal entities where a candidate independently or jointly with his/her affiliate (affiliates) owns 20 or more percent of voting shares (stakes, interests)	
6.	Absence/presence of civil, administrative and/or criminal liabilities record	
7.	Contact Details	
	<i>Postal address</i>	
	<i>E-mail address</i>	
	<i>Telephone number and/or fax</i>	
8.	Banking details for remuneration and reimbursement payments defined by the authorized Company's body	
10.	Other information	

Date	
Signature	

**to Joint Stock Company
INK-Capital
Russian Federation
Irkutsk**

I,

Full Name

hereby give my consent to be a candidate for election (appointment) to the Internal Audit Committee of JSC INK-Capital.

There are no restrictions provided by the laws of the Russian Federation, or grounds preventing me from being elected to the Internal Audit Committee of JSC INK-Capital.

_____, 20__

Received by:

General Director of JSC INK-Capital

_____/_____/_____, 20__

**to Joint Stock Company
INK-Capital
Russian Federation
Irkutsk**

to the General Director
of JSC INK-Capital

Mr/Mrs _____

from a candidate to Internal Audit Committee
of JSC INK-Capital

Mr/Mrs _____

In accordance with the Regulations on the Internal Audit Committee of JSC INK-Capital I, _____ (*Full name, number of identification document, date of issuance and authority that issued the document*), hereby make a decision to provide my personal data to Joint Stock Company INK-Capital, OGRN 1083808004004 (hereinafter referred to as the Operator) and give my consent for its processing of my own free will and in my interest.

The purpose of processing personal data is preparation for election (appointment) for the Internal Audit Committee of the Operator; procedure of election to the Internal Audit Committee of the Operator; operation of the Internal Audit Committee of the Operator; transactions of the Operator and other corporate actions; disclosure of the information on management bodies of the Operator and its affiliated persons in accordance with the requirements of the applicable law and internal legal acts of the Operator.

The consent is granted for the processing of personal data established by the applicable law, the Charter of the Operator, the Regulations, and other internal legal acts of the Operator including: full name; identification document details; residence address and registration address; date of birth; biography details; education; personal photograph; work experience and professional activity; membership in professional and other organizations; marital status; membership in management bodies of legal entities; ownership of the shares (stakes in the charter (share) capital) of the Operator and its affiliated persons; ownership of the shares (stakes in the charter (share) capital) of other legal entities.

Under this consent the Operator shall be entitled to personal data collection, systematization, accumulation, storage, verification (modification, updating), use, dissemination (including its transfer), depersonalization, blockage, deletion.

The Operator may use any methods of personal data processing provided that the Operator shall take all the necessary organizational and technical measures to ensure the protection of personal data from illegal or accidental access, its deletion, modification, blockage, copying, dissemination or other unauthorized use.

This consent is valid after its signing and for a period of 5 (Five) years after the end of the term of office as a Member of the Internal Audit Committee of the Operator, or in case of not electing (appointing) me to the Internal Audit Committee of the Operator within 5 (Five) years after compiling the Minutes of the Board including such agenda issue as election (appointment) of Internal Audit Committee Members of the Operator.

This consent may be revoked if my personal data use by the Operator contradicts the purpose of its provision and violates my rights and legal interests.

This consent is deemed to be revoked in 1 (One) month after the respective justified revocation application being received by the Operator.

_____, 20__ / _____ / _____ /

Received by:
General Director of JSC INK-Capital

_____ / _____ / _____, 20__