

APPROVED
By the decision of the Board of
Directors of Segezha Group
PJSC
09 April 2021
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09.04.2021)

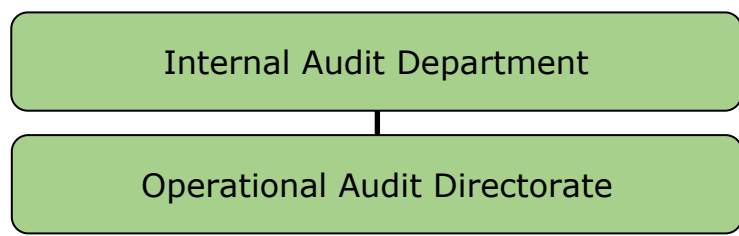
**REGULATIONS
on the Internal Audit Department of Segezha Group PJSC**

1. General provisions	
<i>1.1. Name of the structural unit</i>	The Internal Audit Department (hereinafter - the Division) is a structural subdivision of the Limited Company Segezha Group of Companies (hereinafter - the Company).
<i>1.2. Head of Division</i>	The division is headed by a managing director - chief internal auditor (hereinafter - the Division manager). The head of the Division is appointed and dismissed by the sole executive body (President) of the Company on the basis of the decision of the Company's Board of Directors, is functionally accountable to the Board of Directors, and administratively to the President of the Company. The head of the division should not manage the functional areas of the Company's activities requiring the adoption of managerial decisions in relation to the objects of audit.
<i>1.3. Temporary substitution</i>	For the period of temporary absence of the Head of the division, his/her duties are performed by the director for operational audits of the Directorate for operational audits or another employee appointed in accordance with the procedure established by the Company, while such a person should not manage the functional areas of the Company's activities that require management decisions in relation to audit objects.
<i>1.4. Documents regulating the activities of the Division</i>	In their activities, the employees of the Division are guided by: <ul style="list-style-type: none"> - principles of independence, objectivity, competence and professional attitude to work; - generally accepted standards of activity in the field of internal audit, in particular, the standards of activity of internal auditors, determined by the International Professional Standards for Internal Auditing of the Institute of Internal Auditors; - the legislation of the Russian Federation; - the Charter and other internal documents of the Company, including the Code "Internal Audit of the Segezha Group of Companies" (hereinafter - the Code "Internal Audit"); - decisions of the management bodies of the Company; - standards of the quality management system (hereinafter - QMS), introduced or applied in the Company; - instructions regulating the areas of responsibility of the employees of the Division; - recommendations of the Bank of Russia on the organization of risk management, internal control, internal audit, work of the committee of the board of directors (supervisory board) on audit in public joint stock companies¹; - these Regulations.

¹ Bank of Russia Information Letter No. IN-06-28/143, dated October 01, 2020, "On Recommendations for Organizing Risk Management, Internal Control, Internal Audit, and the Work of the Audit Committee of the Board of Directors (Supervisory Board) in Public Joint Stock Companies."

1.5. Purpose of the Division	The main result expected from the activities of the Division is assistance to the Board of Directors, Management Board, President and management of the Company in increasing the shareholder value of the business through inspections and control procedures aimed at improving the effectiveness of the internal control system (ICS), risk management and corporate governance.
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1. Structure



- 1.1. The employees of the Division carry out their activities on the basis of the documents specified in clause 1.4 of these Regulations and job descriptions, while the Division cannot include subdivisions and employees whose activities are not related to the implementation of internal audit in the Company.
- 1.2. The Division is functionally subordinate to the Board of Directors of the Company, which means:
 - 1.2.1. Approval by the Board of Directors (preliminary consideration by the Audit Committee²) of the internal audit policy (regulations on internal audit), which defines the goals, objectives and functions of internal audit;
 - 1.2.2. Approval by the Board of Directors (preliminary consideration by the Audit Committee) of the business plan and budget of the Division;
 - 1.2.3. Receipt by the Board of Directors and the Audit Committee of information on the progress of implementation of the activity plan and on the implementation of internal audit during the reporting period, but at least once a year;
 - 1.2.4. Opportunity for the Head of the Division to freely contact the Chairman of the Board of Directors and the Chairman of the Audit Committee on internal audit issues;
 - 1.2.5. Approval by the Board of Directors (preliminary consideration by the Audit Committee) of decisions on the appointment and dismissal of the Head of the Division, as well as the terms of the employment contract with the Head of the subdivision, including the amount of his/her remuneration;
 - 1.2.6. Consideration by the Board of Directors (preliminary consideration by the Audit Committee) of significant restrictions on the powers of the Division or other restrictions that could adversely affect the implementation of internal audit;
 - 1.2.7. Consideration by the Board of Directors of an opinion on the reliability and efficiency of risk management, internal control, and corporate governance in the Company.
- 1.3. The Division is administratively subordinate to the sole executive body (President) of the Company, which means:
 - 1.3.1. Allocation of the necessary funds within the approved budget of the Unit;
 - 1.3.2. Receiving reports on the activities of the Division;
 - 1.3.3. Providing support in interaction with the divisions of the Company;
 - 1.3.4. Administration of the policies and procedures of the Division's activities.

2. Tasks

- 2.1. The main tasks of the Division are:
 - 2.1.1. Assistance to the executive bodies of the Company and employees of the Company in the development and monitoring of the implementation of procedures and measures to improve the risk management and internal control system, corporate governance of the Company;
 - 2.1.2. Coordination of activities with the external auditor of the Company, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;
 - 2.1.3. Organization of inspections of the activities of structural divisions of the Company, as

² Audit Committee is an Audit Committee of the Board of Directors of the Company.

well as conducting, within the framework of the established procedure, an internal audit of controlled organizations of the Company - in other subsidiaries or affiliated organizations of the Segezha Group of Companies (hereinafter - **OSGC**)³, conducted in order to assess the effectiveness of management, control the integrity of employees, completeness of receipt and accounting of income, safety and efficiency of use of assets/property, as well as to prevent possible cases of fraud. The head of the division informs the Board of Directors, including through the Audit Committee, about the organization of internal audit in OSGC, and also prepares the shareholder's position on the organization and functioning of internal audit in OSGC, taking into account the applicable requirements of legislation and regulatory bodies;

- 2.1.4. Preparation and provision of reports to the Board of Directors and executive bodies of the Company on the results of the Division's activities, including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified deficiencies, the results of the implementation of the internal audit activity plan, the results of assessing the actual state, reliability and the effectiveness of the risk management, internal control and corporate governance system;
- 2.1.5. Inspection of compliance by members of the executive bodies of the Company and its employees with the provisions of the legislation and internal policies of the Company related to insider information and the fight against corruption, compliance with the requirements of the Code of Ethics⁴ of the Company;
- 2.1.6. Timely informing the President of the Company about revealed cases of violations of the requirements of legislation, regulations, internal orders; newly identified risks; revealed violations of the procedures established in the Company related to the functioning of the internal control system; on the measures taken by the heads of the audited departments to eliminate the violations and their results;
- 2.1.7. Preparation of recommendations for the management of the Company to improve the reliability and efficiency of internal control systems, corporate governance, resource use and safety of assets based on the results of the audits carried out.

3. Functions

3.1. The division in accordance with the tasks assigned to it performs the following functions:

- 3.1.1. Evaluation of the effectiveness of the internal control system, which includes:
 - (a) analysis of the compliance of the goals of business processes, projects and structural units with the goals of the Company, verification of ensuring the reliability and integrity of business processes (activities) and information systems, including the reliability of procedures for countering illegal actions, abuse and corruption;
 - (b) checking the reliability of accounting (financial), statistical, management and other reports, determining how the results of the activities of the business processes and structural divisions of the Company correspond to the set goals;
 - (c) determination of the adequacy of the criteria established by the executive bodies for the analysis of the degree of fulfillment (achievement) of the set goals;
 - (d) identification of deficiencies in the internal control system that did not allow (do not allow) the Company to achieve its goals;
 - (e) assessment of the results of the implementation (realizing) of measures to eliminate violations, shortcomings and improve the internal control system implemented by the Company at all management levels;
 - (f) checking the efficiency and appropriateness of the use of resources;
 - (g) verification of the security of assets;
 - (h) verification of compliance with the requirements of legislation, the charter and internal documents of the Company.
- 3.1.2. Assessment of the effectiveness of the risk management system, which includes:
 - (a) checking the sufficiency and maturity of the elements of the risk management system for effective risk management (goals and objectives, infrastructure,

Legal entities whose financial statements are consolidated with the financial statements of the Company in accordance with international financial reporting standards, as well as legal entities in which the Company directly or indirectly owns more than 50% of the authorized capital.

⁴ Code of Ethics is a Code of Ethics approved by Order of the President of the Company No. 1 dated February 15, 2021 (based on the decision of the Board of Directors of the Company dated February 12, 2021 (Minutes No. 4/21 dated February 12, 2021)).

- organization of processes, regulatory and methodological support, interaction of structural units within the risk management system, reporting);
- (b) checking the completeness of identification and correctness of risk assessment by the management of the Company at all levels of its management;
 - (c) checking the effectiveness of control procedures and other risk management measures, including the effectiveness of the use of resources allocated for these purposes;
 - (d) analysis of information on realized risks (violations revealed based on the results of internal audits, facts of failure to achieve the set goals, facts of litigation).
- 3.1.3. Corporate governance assessment, which includes:
- (a) inspection of compliance with ethical principles and corporate values of the Company;
 - (b) checking the procedure for setting goals of the Company, monitoring and controlling their achievement;
 - (c) checking the level of regulatory support and procedures for information interaction (including on issues of internal control and risk management) at all levels of the Company's management, including interaction with stakeholders;
 - (d) verification of ensuring the rights of shareholders, including controlled companies, and the effectiveness of relationships with stakeholders;
 - (e) checking the procedures for disclosing information on the activities of the Company and the companies under its control.
- 3.1.4. Inspections:
- (a) operational audits are the checks aimed at assessing the design and operational efficiency of control procedures carried out in order to increase the economic efficiency of the business processes of the Company and OSGC, as well as to prevent possible cases of fraud;
 - (b) financial audits are the inspections conducted with the aim of providing shareholders and management of the Company and OSGC with reasonable guarantees of the effectiveness of internal control in terms of preparing reliable financial statements, as well as preventing possible cases of fraud with financial statements.
- 3.1.5. Control over the performing discipline:
- control over the execution of instructions of the Management Board and the President of the Company;
 - measurements of key performance indicators;
 - carrying out control and verification measures on facts showing signs of a disciplinary offense, and/or violation of executive discipline, and/or a conflict situation in the Company or OSGC.
- 3.1.6. Administration and conduct of ethical assessment:
- organizing the filling, signing and collection of the Declarations on "Ethics and Conflict of Interest" stipulated by the Code of Ethics, as well as ensuring their storage;
 - analysis of the Declarations on "Ethics and Conflict of Interest", filled out by the Company's employees and other OSGC, provided for by the Code of Ethics;
 - development of recommendations for the settlement of conflicts of interest;
 - preparation and submission of a report on the results of ethical attestation for familiarization with the President and the Board of Directors of the Company.
- 3.1.7. Formation of an annual audit plan based on a risk-based approach, analysis of historical data, as well as instructions from authorized representatives of the Company's shareholders.

4. Organization of internal audit

- 4.1. In order to effectively carry out internal audit activities, the Division:
- 4.1.1. Prepares a plan of internal audit activities for the reporting period, including a risk-based audit plan that determines the priorities of internal audit in accordance with the objectives of the Company;
 - 4.1.2. Conducts internal audits based on the approved audit plan, as well as unscheduled audits (if necessary);
 - 4.1.3. Carries out other inspections at the request of the Board of Directors, the Audit Committee and the executive bodies of the Company within its competence;
 - 4.1.4. Monitors the implementation of action plans in the Company to eliminate deficiencies

- and improve risk management, internal control and corporate governance based on the results of internal audits;
- 4.1.5. Provides advice to the Board of Directors and executive bodies of the Company on risk management, internal control and corporate governance;
 - 4.1.6. Interacts with the external auditor of the Company, as well as other parties who carry out inspections and provide consulting services in the field of risk management, internal control and corporate governance;
 - 4.1.7. Prepares a report and informs the Board of Directors (including through the Audit Committee) and executive bodies of the Company in accordance with the established frequency, but at least once a year, on the implementation of the internal audit activity plan, on the results of risk management and internal control assessment, corporate governance;
 - 4.1.8. Informs the Board of Directors (including through the Audit Committee) about the organization of internal audit in OSGC;
 - 4.1.9. Develops regulatory documents of the Company governing activities in the field of organization and implementation of internal audit.
 - 4.2. The planning process for internal audit activities can include the following steps:
 - 4.2.1. Formation (updating) of the audit strategy of the Company, the audit model of the Company - a structured list of all possible audit objects. The objects of audit can include business processes, business functions, projects (initiatives), activities of structural units, information systems, etc.;
 - 4.2.2. Using the results of risk assessment - conducting an internal audit analysis of the possibility of relying on the register of risks of the Company based on the results of assessing the effectiveness of risk management for the previous reporting period or through additional analysis (including the completeness of identified risks, the quality of description and assessment of risks, the effectiveness of processes used by the executive bodies of the Company for monitoring and reporting on risks, etc.);
 - 4.2.3. Ranking of audit objects by the level of risks, taking into account the results of risk analysis and additional factors, such as the cycle (frequency) of the audit, the materiality of the impact on the results of the Company's activities of the audit object, the number of employees, staff turnover, changes in the activities of the audit object, the results of the previous inspection of this audit object etc.;
 - 4.2.4. Analysis of proposals and requests received from the executive bodies and the Board of Directors of the Company, including the analysis of the agenda of meetings of the Board of Directors of the Company and its committees;
 - 4.2.5. Synchronization of the nature, composition and timing of audits with other divisions of the Company performing audits aimed at assessing the effectiveness of risk management and internal control within their competencies, as well as reviewing the Company's plans to attract external organizations that provide these services;
 - 4.2.6. Formation of a risk-oriented plan of internal audits with the inclusion on a selective basis of audit objects from different groups in terms of risk level;
 - 4.2.7. Formation of a list of tasks for consulting;
 - 4.2.8. Determination of resources (human, informational, material) necessary for conducting inspections, performing consulting assignments;
 - 4.2.9. An internal audit activity plan based on a risk-based internal audit plan, consulting assignments, and other internal audit activities, including consulting; monitoring the implementation of action plans in the Company to eliminate deficiencies, violations and improve the risk management and internal control system, corporate governance, developed based on the results of audits; training and professional development of the employees of the Division; interaction with the external auditor of the Company and others. At the same time, conducting scheduled internal audits is the main activity of internal audit.
 - 4.3. The head of the Division submits an internal audit activity plan for consideration and approval by the Board of Directors in the manner prescribed by the Internal Audit Code.
 - 4.4. In order to organize and conduct internal audits, the Division carries out the activities provided for in Section 8 of the Internal Audit Code.
 - 4.5. The specific nature and scope of audit procedures to be performed during the audit, including the analysis of the effectiveness of risk management inherent in the audit object, are determined depending on the objectives of the audit. A combination of several types of audit procedures, including data analysis techniques, can be used to obtain a higher degree of confidence in the audit results.
 - 4.6. Based on the results of the internal audit, a report is drawn up, during the preparation

of which the Head of the Division, as far as possible, determines the level of formalization and documentation that is acceptable for the Company. At the same time, it is recommended to at least reflect the following information in the report:

- 4.6.1. The objectives of the audit;
- 4.6.2. Scope and content of the audit: business processes, information systems, projects, operations and control procedures that were included in the scope of the audit, the nature and scope of audit procedures performed, as well as additional information defining the scope of the audit (audit period, areas not included in audit perimeter);
- 4.6.3. Positive characteristics (assessments) of risk management and internal control of the audit object (if any);
- 4.6.4. Inspection results: observations (including identified shortcomings and opportunities for improvement), conclusions on the reliability and efficiency of risk management and internal control, as well as corporate governance of the audited entity, recommendations;
- 4.6.5. Restrictions on the distribution and (or) use of the test results;
- 4.6.6. The opinion of representatives of the audited entity, executive management regarding the findings and results of the audit, including if there are disagreements with the internal audit regarding the results of the audit.
- 4.7. In the course of an internal audit, interim reports can be prepared in order to inform interested parties about the facts requiring immediate action (attention), changes in the scope and content of the audit, the progress of the audit, if it is carried out for a long time. The use of interim reports does not diminish or replace the need to prepare and submit an audit report.
- 4.8. The division is also entitled to provide consulting services:
 - 4.8.1. The consulting services of the internal audit in the Company include the activity of providing consultations and recommendations, the nature and content of which are agreed with the party receiving the consultations, aimed at providing assistance and improving corporate governance, risk management and internal control, excluding the assumption of responsibility for management decisions by internal auditors;
 - 4.8.2. Consulting engagements are a special type of audit engagement. The objectives of the consulting assignment, its content, scope and liability issues are formulated in written form.

5. Powers and responsibilities of the Head of the Division and employees of the Division

- 5.1. As part of the performance of their tasks and functions in accordance with applicable law and local regulations of the Company, the employees of the Division have the right to:
 - 5.1.1. Prepare draft orders and other local acts in accordance with the tasks and functions of the Division;
 - 5.1.2. Approving and signing documents within the competence of the Division;
 - 5.1.3. Provide structural divisions and individual specialists with instructions on issues within the competence of the Division;
 - 5.1.4. Conduct and participate in meetings on issues within the competence of the Division;
 - 5.1.5. Request and receive from the structural divisions of the Company and OSGC the information necessary for the performance of the assigned tasks and functions, including confidential information (in accordance with the current regulatory documents);
 - 5.1.6. On behalf of the management, represent the Company in any organizations on issues within the competence of the Division;
 - 5.1.7. Engage, on a contractual basis, consulting and other organizations and specialists to perform assigned tasks and functions (in accordance with applicable regulatory documents);
 - 5.1.8. Initiate the creation of working groups to solve the tasks the Division is facing;
 - 5.1.9. Obtain unimpeded access (subject to the requirements of the legislation of the Russian Federation) to documents, accounting records, information resources, materials of meetings of collegial bodies and other information about the activities of the Company as part of the performance of their official duties, including in electronic form. To familiarize with draft decisions and decisions of the Board of Directors and executive bodies of the Company;
 - 5.1.10. During audits, make photo and video recording of the facts of the Company's economic

- activities, request and get access to assets⁵, as well as conduct interviews, ask employees questions necessary to achieve the objectives of the audit;
- 5.1.11. Use information resources and software of the Company for internal audit purposes;
 - 5.1.12. Engage third-party experts to solve certain tasks in the framework of the implementation of internal audit activities;
 - 5.2. Exercise other powers stipulated by these Regulations and other internal documents of the Company.
 - 5.3. Professional requirements for the employees of the Division are established taking into account the requirements of the Professional Standard "Internal Auditor"⁶, as well as the types of activities carried out by the Company.
 - 5.4. The rights and obligations of the head and employees of the Division, in addition to these Regulations and other internal documents of the Company, are regulated by their labor contracts and job descriptions.
 - 5.5. The head of the division is authorized to carry out functional management of the OSGC employees performing the functions specified in Section 4 of these Regulations.
 - 5.6. The Head of the division cannot be assigned responsibilities that are not related to the implementation of internal audit in the Company.
 - 5.7. The head of the division is entitled to participate in meetings of the Board of Directors, its committees and sessions (meetings) of the executive bodies of the Company.
 - 5.8. The head of the division formulates the opinion of the internal audit based on the results of assessing the reliability and efficiency of risk management and internal control, as well as the corporate governance of the Company for a certain period of time (including the reporting period). When preparing an internal audit report, the results of internal audits, unscheduled audit assignments, audits performed by other divisions of the Company aimed at assessing risk management, internal control and corporate governance within their competencies may be taken into account. The opinion of the internal audit differs from the conclusions based on the results of the performance of internal audits in that it is formulated in relation to the risk management and internal control system, as well as the corporate governance of the Company as a whole for a period of time, the conclusions refer to the results of a separate internal audit.
 - 5.8.1. The structure and content of the internal audit report is formed depending on the rules adopted in the Company for submitting materials to management bodies, their wishes and preferences in format and design. At the same time, the following information is included in the conclusion of the internal audit, to the extent possible:
 - (a) a statement of the final report on the reliability and efficiency of risk management and internal control, as well as corporate governance in the Company;
 - (b) a description of the approach and criteria for assessing risk management and internal control and corporate governance underlying the internal audit report;
 - (c) a summary of the information supporting the opinion and its sources;
 - (d) a description of the scope of the internal audits carried out by the internal audit, indicating the period of time that the report covers;
 - (e) a description of the scope of related audits performed by other divisions of the Company. When using the results of such audits, the Head of the Division preliminarily conducts an assessment to determine the extent to which he will be able to rely on the work of other divisions of the Company;
 - (f) information about restrictions, if any, in the internal audit activity.
 - 5.8.2. If the conclusion of the internal audit is negative, it is advisable for the Head of the department to give reasons that justify it.
 - 5.9. The head of the division, as far as possible, coordinates the interaction of the internal audit with the auditor of the Company (external auditor), including but not limited to the following issues:
 - 5.9.1. Discussion of plans for the activities of the internal audit and the auditor of the Company in order to coordinate them and minimize double work;
 - 5.9.2. Exchange of information on the results of assessing the reliability and efficiency of risk management and internal control of the Company in terms of control over the preparation of accounting (financial) statements;
 - 5.9.3. Analysis of the effectiveness of the implementation of corrective measures aimed at

⁵ For inventory, inspection, check of availability, performance, assessment of their cost and other activities related to the implementation of internal audit.

⁶ Approved by order of the Ministry of Labor and Social Protection of the Russian Federation dated June 24, 2015 No. 398H.

eliminating deficiencies in risk management and internal control of the Company, including control over the preparation of accounting (financial) statements.

5.10. The head of the division, as far as possible, coordinates interaction with other divisions of the Company, which, within the framework of their powers, carry out inspections of the effectiveness of risk management and internal control in the areas entrusted to them or consult the divisions and employees of the Company⁷.

5.10.1. The Head of the Division may decide to rely on the work of other divisions of the Company in the following cases:

- (a) in assessing the reliability and effectiveness of risk management and internal control, as well as assessing the effectiveness of corporate governance in areas outside the scope of knowledge and competence of the employees of the Division;
- (b) to increase the coverage of areas in the formation of an internal audit report on the reliability and efficiency of risk management and internal control, as well as the efficiency of corporate governance in the Company as a whole;
- (c) to minimize double work during the reporting period in the planning and implementation of the activities of both the Division and other divisions of the Company during inspections.

5.10.2. To make such a decision, the Head of the Division develops criteria for assessing the ability to rely on information and the results of the work of other divisions of the Company, in particular:

- (a) objectivity of the relevant division of the Company, including the absence of a conflict of interest (or signs of a conflict);
- (b) the competence of the employees of the Company's division;
- (c) an agreed understanding of the terminology, procedures and methods of work when other divisions of the Company conduct inspections and formulate their results.

5.11. The head of the division at least once a year informs the President and the Board of Directors of the Company about the internal audit activities, including but not limited to the following issues:

5.11.1. Feasibility of making changes to the internal audit policy (Internal Audit Code, these Regulations) of the Company;

5.11.2. Confirmation of the fact of organizational independence of internal audit and the absence of any facts of negative impact on the independence and objectivity of the Division;

5.11.3. Limitations in the required amount of information, resources and other circumstances that may affect the ability of internal audit to fulfill its responsibilities;

5.11.4. Results of the implementation of the program to ensure and improve the quality of internal audit, including information on compliance with International Professional Standards for Internal Auditing and an action plan aimed at meeting quality requirements in all material aspects of internal audit;

5.11.5. Submission for approval of the internal audit activity plan, the resource plan and the internal audit budget, as well as information on significant changes in the activity plan during the reporting period;

5.11.6. Communication on the results of the implementation of the internal audit activity plan, including:

- (a) the results of individual internal audits with opinions on the effectiveness of risk management and internal control of the audited entity, corporate governance (if applicable), on the results and effectiveness of the implementation of measures to eliminate identified deficiencies, information on the position of the executive bodies of the Company regarding the accepted risk, which, in the opinion of the Head of the Division, may be unacceptable for the Company;
- (b) an opinion on the assessment of the reliability and efficiency of risk management and internal control, as well as the efficiency of corporate governance in the Company;
- (c) a report on the implementation of other activities included in the internal audit activity plan.

5.12. The head of the division is prohibited from:

5.12.1. Combining the management of functional areas of activity of the Company, companies, its controlling, and (or) its controlled Companies, requiring the adoption of managerial decisions (including membership in collegial executive bodies);

⁷ For example, divisions of risk management, compliance control, labor protection and industrial safety, information security, accounting and reporting, etc.

- 5.12.2. Combining the position of the Head of the Company's division with the position of the Head of Internal Audit or the Head of the Structural Division of Internal Audit in the organizations that control it and (or) its controlled companies;
- 5.12.3. Participation (membership) of the Head of the Division in the management bodies of the Company, companies, its controlling, and (or) its controlled companies (boards of directors and its committees);
- 5.12.4. Conducting an audit of those areas for which the auditor was responsible during the year preceding the audit.
- 5.13. Employees of the Division are prohibited from:
 - 5.13.1. Participation (membership) of the employees of the Division in the management bodies of the Company, companies, its controlling, and (or) its controlled companies (boards of directors and its committees);
 - 5.13.2. Conducting an audit of those areas for which the auditor was responsible during the year preceding the audit.

6. Relationship of the Division with other divisions of the Company and OSGC

- 6.1. Division interacts with all structural divisions of the Company and OSGC on all issues related to the functional competence of the Division.
- 6.2. The Division receives from the structural divisions of the Company and OSGC documents and information necessary for conducting inspections and control measures.
- 6.3. Requests and instructions to the Division are made in writing for a clearer understanding of the tasks to be solved.

7. Assessment of internal audit activities

- 7.1. The head of the division organizes ongoing monitoring and provision of periodic analysis of internal audit in order to comply with high standards of internal audit activities in the Company. The list of ongoing monitoring activities and the procedure for conducting an internal audit assessment are formulated in the guarantee program, as provided for in Section 9 of the Internal Audit Code.
- 7.2. In order to obtain an independent opinion on the quality of internal audit and the ability to rely on the internal audit opinion on the assessment of the reliability and efficiency of risk management and internal control, as well as the effectiveness of corporate governance, an external assessment of internal audit activities.
- 7.3. An external assessment of the internal audit activity is carried out at least once every 5 years.
 - 7.3.1. External evaluations of internal audit activities can be conducted using one of two formats:
 - (a) full assessment by an external expert;
 - (b) confirmation of the internal assessment by an external expert.
 - 7.3.2. The selection of an external expert is carried out taking into account the requirements of the legislation of the Russian Federation, in accordance with the internal procedures of the Company for the selection of service providers, as well as taking into account the recommendations of the International Institute of Internal Auditors in terms of conducting external evaluations of internal audit.

8. Responsibility

- 8.1. As a rule, requests and instructions to the Division are made in writing for a clearer understanding of the tasks to be solved.
- 8.2. The head of the division is personally responsible for:
 - 8.2.1. High-quality and efficient performance of the main tasks and functions assigned to the Division;
 - 8.2.2. Reliability and timeliness of the information provided by the Division to the management of the Company and related structural divisions of the Company;
 - 8.2.3. Placement, use of subordinate employees in accordance with their specialty and qualifications;
 - 8.2.4. Organization of effective interaction between the Division and other structural divisions of the Company;
 - 8.2.5. Responsibility for the formation of an opinion on the reliability and efficiency of risk

management and internal control, as well as the efficiency of corporate governance in the Company, including for the trustability and reliability of the information on the basis of which it was prepared;

8.2.6. Timely updating and approval of these Regulations in accordance with the procedure established in the Company.

8.3. The responsibility of the employees of the Division is established by the relevant job descriptions.

9. Final provisions

9.1. Responsibility for the development, revision and amendment of these Regulations is borne by the Head of the Division.

9.2. In the event that the Company acquires a public status, this Regulation continues to apply.