

DRAFT

**APPROVED by
the General Meeting of Shareholders
Minutes No. __ dated _____, 2015**

REGULATIONS

**ON THE AUDIT COMMISSION OF
PUBLIC JOINT-STOCK COMPANY
“AEROFLOT – RUSSIAN AIRLINES”
(revision No. 4)**

Moscow, 2015

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These Regulations set forth the operating procedures of the Audit Commission of Public Joint-Stock Company "Aeroflot – Russian Airlines" (the "Company") pursuant to Federal Law No. 208-FZ "On Joint-Stock Companies" dated December 26, 1995 and the Company's Articles of Association, taking into account the list of recommended competencies for members of Audit Commissions (auditors) of joint-stock companies in which the Russian Federation holds an interest as approved by Order No. 310 of the Federal Agency for State Property Management dated October 07, 2013, the Guidelines on the organization of the audit process for Audit Commissions of joint-stock companies in which the Russian Federation holds an interest as approved by Order No. 254 of the Federal Agency for State Property Management dated August 26, 2013, and the Guidelines on the establishment of regulations on the audit commission of joint-stock companies in which the Russian Federation holds an interest as approved by Order No. 350 of the Federal Agency for State Property Management dated September 16, 2014.

Article 1. General Provisions and Status of the Company's Audit Commission

1.1. The Company's Audit Commission shall control the financial and economic activity of the Company, its units and services, branches and representative offices. As part of this work, the Audit Commission shall conduct comprehensive and operational audits of the Company's financial and economic activities by analyzing their results.

The Audit Commission may audit the financial and economic activities of subsidiaries and other entities in which the Company, by majority shareholding or otherwise, is able to influence decisions adopted by such entities, taking into account the legislative requirements of the Russian Federation.

1.2. In its activities, the Company's Audit Commission shall be governed by the legislation of the Russian Federation, the Company's Articles of Association, resolutions of general meetings of the Company's shareholders, these Regulations, and other internal documents of the Company approved by the general meeting of the Company's shareholders insofar as they relate to activities of the Audit Commission.

1.3. The Company's Audit Commission shall be independent of the Company's officials/governing bodies.

1.4. The Audit Commission shall report to the general meeting of the Company's shareholders.

1.5. The Company's Audit Commission shall have its own letterhead with its particulars.

Article 2. Members and Procedure for Election of the Company's Audit Commission

2.1. The number of members of the Company's Audit Commission shall be 5 persons. The Audit Commission shall be elected by the general meeting of shareholders until the next annual meeting of shareholders in accordance with the procedure set forth by the legislation of the Russian Federation and the Company's Articles of Association.

Shares held by members of the Board of Directors or persons holding positions in the Company's governing bodies may not participate in voting for the election of members of the Audit Commission.

2.2. The Company's Audit Commission may not include members of the Board of Directors, Executive Board, Counting Commission and General Director of the Company.

2.3. Persons elected to the Company's Audit Commission may be re-elected for a new period unlimited number of times. If a member of the Audit Commission retires before the end of his/her term of office, a new member may be elected to replace him or her for the remaining period by decision of the general meeting of shareholders.

Powers of some or all members of the Audit Commission may be terminated early by decision of the General Meeting of Shareholders.

A member of the Audit Commission may retire from the Audit Commission at his/her discretion. A statement of intention to retire from the Audit Commission shall be sent by such member to the Chairman of the Audit Commission. The statement shall be sent at least 30 calendar days before the planned date of retirement. The member shall be deemed to have retired from the date specified in the statement.

In the event of early termination of powers of an Audit Commission member or his/her retirement from the Audit Commission, the powers of the other members of the Audit Commission shall not be terminated.

If the number of the Audit Commission members become less than 3 (three), the Board of Directors shall call an extraordinary general meeting of shareholders to elect the Audit Commission. The other members of the Audit Commission shall perform their duties until a new Audit Commission is elected.

Article 3. Chairman and Secretary of the Audit Commission

3.1. The Audit Commission shall be headed by the Chairman elected by the Audit Commission members upon his/her consent from among its members by open voting by a majority vote of the total number of the Audit Commission members.

3.2. The Chairman of the Audit Commission shall:

- call and hold its meetings;
- form agendas;
- organize current work of the Audit Commission;
- represent it at the meetings of the Company's Executive Board, Board of Directors, committees of the Board of Directors, and general meetings of shareholders ;
- sign minutes of meetings held by the Audit Commission and documents issued by it;
- control the timely provision of information on agenda items of the meeting of the Audit Commission to the Audit Commission members;
- ensure an open and public discussion of matters considered at the meetings, take into account opinions of all members of the Audit Commission in the decision-making process, summarize the discussion outcome and formulate decisions to be taken;
- control execution of decisions adopted by the Audit Commission and the general meeting of shareholders.

3.3. The Audit Commission may at any time re-elect its Chairman by a majority vote of the total number of elected members of the Commission.

The Chairman of the Audit Commission may resign from chairmanship at his/her discretion, while remaining a member of the Audit Commission, with effect from the day when the Audit Commission receives his/her resignation.

3.4. If the Chairman of the Audit Commission is absent, the Audit Commission members shall elect a Chairman from among the present members of the Audit Commission. Until a new Chairman is elected, any member of the Audit Commission shall have the right to call meetings of the Audit Commission. A member of the Audit Commission initiating meetings of the Audit Commission shall send a request to the Company for organizing such meeting.

3.5. The Secretary of the Audit Commission shall be elected by decision of the Audit Commission from among its members or employees of the Company's division responsible for corporate governance or internal control in the Company.

The Secretary of the Audit Commission shall take minutes at its meetings and ensure that reports and conclusions of the Audit Commission are communicated to the intended parties.

Article 4. Competence of the Company's Audit Commission

4.1. Competence of the Company's Audit Commission shall include:

- conducting audits of the Company's financial and economic activity at year-end and also at any time at the initiative of the Company's Audit Commission, by decision of the general meeting of shareholders, the Company's Board of Directors, or at the request of the Company's shareholder(s) holding, individually or together, at least 10 percent of the Company's voting shares;
- verifying the accuracy of data contained in the Company's annual report, annual accounts and other reports, as well as other financial documents of the Company;
- auditing the efficiency of utilization of the Company's assets and other resources, identifying causes of overhead costs and losses;
- auditing and analyzing the Company's financial position and solvency;
- auditing and analyzing the efficiency of the risk management and internal control system, primarily as regards integrity and use of assets;
- checking the legitimacy of business transactions carried out by the Company as part of deals entered into on behalf of the Company;
- checking execution of the Audit Commission's instructions on correction of violations stated in reports on the results of previous audits;
- checking conformity of decisions on financial and economic activities adopted by the executive bodies and the Board of Directors with the Company's Articles of Association and decisions of the general meeting of shareholders.

4.2. Based on the results of audit of the Company's financial and economic activity for the year, the Audit Commission shall issue a report for the general meeting of shareholders, which shall contain:

- a confirmation of the accuracy of data contained in the Company's reports and other financial documents;
- information on any non-compliance with the accounting and financial reporting procedures established by legal acts of the Russian Federation, as well as laws and regulations of the Russian Federation, in the course of financial and economic activities.

The Audit Commission members may issue a special opinion and require that it be attached to the report if they disagree with the Audit Commission's report.

The Company's Audit Commission shall present to the Board of Directors of the Company its report on the results of audit of the Company's financial and economic activities at least 40 days before the date of the annual general meeting of shareholders. Without the Audit Commission's report, the annual financial statements and profit and loss accounts of the Company may not be submitted for approval to the annual general meeting of shareholders.

The Company shall provide shareholders with access to the Audit Commission's reports in accordance with the procedure and to the extent set forth in the legislation of the Russian Federation.

In the course of its work, the Audit Commission shall prepare recommendations on matters falling within its competence to be provided to the Company's executive body, heads of separate subdivisions and the Company's Board of Directors. These recommendations shall be recorded in the minutes and may also be set out in certain documents (memoranda).

4.3. In exercising its competence, the Audit Commission may do the following:

- auditing the Company's financial and accounting documents, reviewing inventory commission reports, comparing these documents with primary accounting records;
- checking the legitimacy of agreements concluded by the Company, transactions made, settlements with counterparties;

- analyzing compliance of accounting and statistical record keeping with existing regulations;
- checking whether payments to suppliers of products and services are timely and correct;
- checking whether tax and other mandatory payments are timely and correct;
- checking whether accrual and payment of dividends on shares, interest on bonds, repayment of other liabilities are correct and timely;
- checking whether the Company's balance sheets, reports for tax authorities, statistical agencies, state government and administration authorities are prepared correctly;
- checking the lawfulness of decisions made by the Company's executive bodies, their conformity to the Company's Articles of Association and decisions of general meetings of shareholders.

Article 5. Rights and Obligations of the Company's Audit Commission

5.1. For the purposes of proper performance of its functions, the Audit Commission has the right to:

- request and receive from the Company's governing bodies, subdivisions and services as well as persons performing management functions at the Company any and all documents and materials necessary for the Audit Commission within 5 days after submission of the relevant written inquiry;
- require, in accordance with the procedure set forth by the legislation of the Russian Federation, from competent persons and bodies of the Company to call meetings of the Executive Board, the Board of Directors, general meetings of shareholders in cases requiring decisions to be made on matters falling within the competence of these governing bodies of the Company;
- request from members of the Board of Directors, officials and employees of the Company to provide oral and written explanations of matters falling within the competence of the Audit Commission;
- engage specialists and experts other than full-time employees of the Company on a contractual basis at the Company's cost;
- notify in writing the Company's Board of Directors of all cases where the Company's personnel, including persons performing management functions at the Company, refused to provide the required documents, materials and personal explanations;
- raise before the Board of Directors and executive bodies of the Company the issue of holding employees materially and disciplinarily liable, including persons performing management functions in the Company, in the event they violate laws and regulations of the Russian Federation, the Articles of Association, regulatory and administrative documents of the Company, as well as is if instances of abuse/fraud are discovered;
- raise before the Board of Directors and executive bodies of the Company the issue of taking action and setting time limits for correcting violations identified by the Audit Commission;
- participate in the general meetings of the Company's shareholders, Board of Directors and Executive Board that consider matters falling within the competence of the Audit Commission;
- request the calling of meetings of the Board of Directors, an extraordinary general meeting of shareholders in accordance with the procedure set forth by the current legislation of the Russian Federation, the Articles of Association and internal documents of the Company.

In the event that serious irregularities are discovered in the activities of the Company's General Director, the Audit Commission shall make appropriate submission to the Board of Directors, with the right of the latter to suspend the powers of the Company's General Director.

5.2. The Audit Commission members shall:

- maintain confidentiality and security of information concerning the Company, which constitutes confidential and/or insider information under the legislation of the Russian Federation or the Company's internal documents and is received by a member of the Company's Audit Commission during the period of performance of his/her duties as a member of the Audit Commission, and also during two years after the expiration of the said powers;
- attend the meetings of the Audit Commission and take an active part in the preparation and discussion of matters brought before meetings and voting thereon;
- study all the received documents and materials relevant to the audit areas assigned to the Audit Commission member in a timely and proper manner;
- implement and ensure the implementation of decisions of the Audit Commission;
- act in the best interests of the Company and its shareholders.

5.3. An Audit Commission member may not receive any gifts or other consideration from persons interested in the adoption by the Audit Commission of decisions associated with performance of his/her duties, or profit from any direct or indirect benefits offered by such persons, other than minor courtesies according to the generally acceptable rules of courtesy or souvenirs at official events.

5.4. A conflict of interest of an Audit Commission member arises in the event where he/she, his/her spouse, parents, children, whole blood or half-blood siblings, adoptive parents and adopted children, and (or) their affiliates:

- are a party, beneficiary, intermediary or representative in a transaction concluded or executed in the audited period;
- hold (individually or together) twenty (20) and more percent of the shares (interests, units) of a legal entity that is a party, beneficiary, intermediary or representative in a transaction concluded or executed in the audited period;
- hold positions in the governing bodies of a legal entity that is a party, beneficiary, intermediary or representative in a transaction as well as positions in the governing bodies of the managing organization of such legal entity.

5.5. Notify a representative of the Company's Audit Commission and Board of Directors through the office of the Company's Board of Directors of any conflict of interest within 5 days of occurrence of the relevant event.

5.6. If there is a risk that a conflict of interest of an Audit Commission member may arise on the grounds referred to in Paragraph 5.4 of the Regulations, the Audit Commission shall organize work of the Audit Commission so as to remove this conflict of interests and request from the Audit Commission member having a conflict of interest information about his/her compliance with the requirement to notify the Company's Board of Directors thereof as specified in Paragraph 5.5 of these Regulations.

Article 6. Meetings of the Company's Audit Commission

6.1. Matters pertaining to activities of the Audit Commission shall be considered at its meetings. The Audit Commission shall hold meetings according to the approved plan and shall also hold pre-audit and post- meetings.

6.2. Meetings of the Audit Commission shall be called at the initiative of the Chairman of the Audit Commission or a person authorized thereby. An Audit Commission member may require calling an extraordinary meeting of the Audit Commission in cases any violations that require an immediate of the Audit Commission are discovered.

6.3. Decisions of the Audit Commission may be adopted at its meetings held in absentia or presentia. A meeting in presentia may be held remotely via conference or video calls.

6.4. A notice of a meeting of the Audit Commission shall be sent in writing together with materials (information) and a poll ballot (in the case of a meeting in absentia) to each member of the Audit Commission at least five (5) business days before the meeting (deadline for submitting ballots) except as otherwise provided herein.

The notice shall include:

- time and venue of the meeting;
- items to be discussed.

6.5. Meetings of the Audit Commission shall be deemed competent if they are attended by at least half of the elected members of the Audit Commission (excluding retired members). The right of vote of an Audit Commission member may not be delegated to another person, including another member of the Audit Commission. In case of a tie, the Chairman of the Audit Commission shall have a casting vote.

When determining the quorum and voting results, a written opinion of an Audit Commission member who was absent from the meeting of the Audit Commission for valid reasons (business trip, leave, illness) on the agenda items shall be taken into account, if that opinion was received by the Audit Commission before the commencement of its meeting. In his/her written opinion, the Audit Commission member shall unambiguously set out his/her position regarding the item by specifying in the written opinion whether he/she votes for or against the proposed draft decision or abstains from voting.

6.6. The Audit Commission members have the right to express their special opinion on agenda items considered at Audit Commission meetings and require that their special opinion be recorded in the Audit Commission minutes and communicated to the governing bodies and the Board of Directors of the Company.

6.7. Extraordinary meetings of the Audit Commission dedicated to audits of the Company's financial and economic activities shall be called by the Chairman of the Audit Commission at his/her own initiative or at the initiative of an Audit Commission member as well as by decision of the general meeting of shareholders or the Board of Directors of the Company.

An extraordinary meeting of the Audit Commission shall be called within fifteen calendar days of receiving a request to call an extraordinary meeting, unless a shorter time period is specified in a requirement for an audit.

6.8. Apart from the Audit Commission members, other persons (officials of the Company, external experts and other invited individuals) may participate in the meetings without the right to vote; their list shall be determined by the Audit Commission Chairman.

6.9. Minutes shall be taken of the Audit Commission meetings.

Minutes of the Audit Commission meetings shall be drawn up five (5) business days after the meeting.

The minutes of the meeting shall include:

- venue and time of the meeting;
- persons present at the meeting;

- agenda of the meeting;
- items put to vote and voting results, specifying the number of votes cast for, against, and abstain;
- adopted decisions.

Minutes of the Audit Commission meeting shall be signed by the Chairman and the Secretary of the Audit Commission, who shall be responsible for the correct preparation of the minutes.

6.10. Within three (3) business days after the minutes of the meeting of the Audit Commission are signed, the Secretary of the Audit Commission shall e-mail a copy of the minutes to the Audit Commission members and (if necessary) an extract from the minutes to other persons to whom decisions included in the minutes are addressed.

6.11. The Company shall keep minutes of the Audit Commission meetings and provide access to them at the request of the Company's shareholders.

Article 7. General Provisions on Audits by the Company's Audit Commission

7.1. Audits shall be conducted by the Audit Commission according to its work plan, as instructed by the general meeting of shareholders, shareholders holding, individually or together, at least ten (10) percent of the Company's voting shares, and also at the initiative of the Audit Commission and certain members of the Audit Commission.

The general meeting of shareholders or the board of directors initiating an audit of the Company's financial and economic activities shall send to the Audit Commission a decision to conduct (initiate) an audit in the form of minutes (copy of minutes, extract from minutes) of the relevant governing body. Minutes (copy of minutes, extract of minutes) shall be forwarded to the Chairman of the Audit Commission.

The shareholder(s) initiating an audit of the Company's financial and economic activities shall send to the Audit Commission a written requirement for an audit, which shall include: 1) name of the shareholder(s) submitting the requirement 2) information about shares held by the shareholder(s) (number, category, etc.); 3) reasons for the need to conduct an audit. The requirement shall be signed by the shareholder or his/her/its representative. If the requirement is signed by a representative, a power of attorney shall be attached thereto. If the initiative comes from shareholders that are legal entities, the signature of the person acting under its Articles of Association without a power of attorney shall be confirmed by the seal of this legal entity. If the requirement is signed by a representative of a legal entity acting on its behalf under a power of attorney, a power of attorney shall be attached thereto.

Initiators of an extraordinary audit of the Company's financial and economic activities may withdraw their request at any time before the Audit Commission passes a decision to conduct an audit by notifying the Audit Commission thereof in writing.

A request for information relevant to an audit shall be signed by the Chairman of the Audit Commission and sent to the Company's officials. The Company shall provide information specified in the request within the time limits specified in Paragraph 5.1 hereof.

7.2. The Audit Commission may refuse to conduct an audit required by its initiator in the following cases:

- persons requiring an audit of the financial and economic activities are not entitled to initiate such audit;
- an audit of the financial and economic activities based on the facts that serve as grounds for requiring an audit has been conducted and a report has been approved by the Audit Commission;
- the requirement does not comply with the legislation of the Russian Federation.

A decision to refuse an audit of the financial and economic activities shall be sent by the Audit Commission to the shareholder(s) who required it within ten (10) business days from the date of the

relevant decision in a letter to be signed by the Chairman of the Audit Commission or a person performing his/her functions.

7.3. Officials of the Company's governing bodies, managers of the Company's standalone and structural units shall:

- create conditions for auditors ensuring that the audit is conducted efficiently, provide the Audit Commission members with all the necessary information and documents, give oral and written explanations and clarifications upon their (oral or written) request;
- promptly correct all violations identified by the Audit Commission, including those relating to maintenance of bookkeeping records and preparation of accounts and other financial reports;
- forbear from any actions during an audit aimed at limiting the number of issues to be investigated during the audit.

7.4. Audits conducted by the Audit Commission may cover any aspects of the Company's operations, including identification and assessment of risks that arise from and in the course of the Company's financial and economic activities.

Certain activities of the Company may be audited by a group of auditors not including all the members of the Audit Commission.

7.5. Based on the results of an audit of the Company's financial and economic activities for the year, the Audit Commission shall issue a report for the general meeting of shareholders, the contents of which are provided in Paragraph 4.2 hereof.

The findings of other audits shall be reported in an audit report, which shall include:

- place and time of the audit (inspection);
- members of the Audit Commission who participated in the audit (inspection);
- grounds for conducting the audit (inspection);
- description of identified risks, violations and deficiencies in the Company's activities;
- analysis of the causes of violations and deficiencies, assessment of the risk of recurrence of similar violations, and recommendations for reducing this risk;
- conclusions with a summary opinion on the Company's financial and operational performance, accuracy of its financial statements, integrity of assets, compliance with applicable laws, local regulations and requirements of regulators (hereinafter referred to as the report).

Before being signed, the report may be provided to the Company for receiving comments from the Company's governing bodies.

The report shall be signed by the Chairman and members of the Audit Commission who conducted the audit. The audit report shall be reviewed at a meeting of the Audit Commission within ten (10) business days after the end of the audit.

The Audit Commission members may prepare a special opinion if they disagree with a report on an audit conducted by the Audit Commission and require that their opinion be attached to the report.

7.6. The Company shall keep reports and conclusions of the Audit Commission and provide access to them upon request of the Company's shareholders.

7.7. For the purpose of supporting activities of the Audit Commission, the Audit Commission shall be provided with the necessary premises and access to them, as well as equipment and materials. Activities undertaken by the Audit Commission shall be financed from funds allocated by the Company for these purposes.

Article 8. Remuneration and Compensations Payable to Audit Commission Members

Members of the Audit Commission shall be paid remuneration during the period of performance of their duties according to a decision passed by the general meeting of shareholders. The

amount of remuneration shall be decided by the general meeting of shareholders according to the regulations on remuneration and compensations payable to members of the Audit Commission.

The Audit Commission members that are public servants shall not be paid remuneration or compensation.

Article 9. Final Provisions

9.1. These Regulations shall take effect on the date they are approved by the general meeting of the Company's shareholders.

9.2. If case of amendments to legislation of the Russian Federation, provisions of these Regulations which come into conflict with legislation shall become null and void and the Audit Commission activities shall be governed by the applicable law of the Russian Federation and the Company's Articles of Association.

9.3. In case of any discrepancy between these Regulations and the Company's Articles of Association, the Company's Articles of Association shall prevail.

9.4. Upon approval of these Regulations, the Regulations on the Company's Audit Commission previously approved by the general meeting of the Company's shareholders (minutes No. 8 dated May 25, 2002) shall become null and void.

Appendix
to the Regulations on the Audit Commission
of PJSC "Aeroflot" approved by the General
Meeting of the Company's Shareholders
(Minutes No. _____ dated _____)

Questionnaire of a Member of the Audit Commission of PJSC "Aeroflot"

Full name

Date of birth: __ _____

Educational background (including academic degrees and titles):

Educational institution	Graduation date	Qualification	Specialty

Currently held positions:

Employment date	Position	Organization's full name	Organization's address

Jobs for the last five years:

Period (year)		Organization's name	Position
from	to		

Information about part-time jobs for the last five years:

Period		Organization's name	Position
from	to		

Information about participation in management of other legal entities for the last 5 years:

Legal entity's name	Governing body	Status in the governing body	Date of entry into office

Information about positions held in the governing bodies of PJSC "Aeroflot" and its subsidiaries and affiliates by spouse, parents, children, whole blood and half-blood brothers and sisters, adoptive parents and adopted children.

Legal entity's name	Governing body	Status in the governing body	Date of entry into office

By signing this questionnaire I, _____,

a) undertake not to comment on information (including in interviews) about decisions made by the Audit Commission of PJSC "Aeroflot" (hereinafter also referred to as "the Company") until it is

officially disclosed by the Company in accordance with the requirements of the legislation of the Russian Federation;

- b) undertake to maintain confidentiality and security of information made available by PJSC "Aeroflot", which in accordance with the legislation of the Russian Federation constitutes confidential and/or insider information relating to activities of PJSC "Aeroflot" received in the course of my duties as a member of the Audit Commission of PJSC "Aeroflot", during the period of performance of the said duties and also for two years thereafter;*
- c) confirm that I have read and understood the Company's internal documents, including the Articles of Association of PJSC "Aeroflot" and the Regulations on the Audit Commission of PJSC "Aeroflot";*
- d) give my consent to my personal data being collected, processed, stored, transferred to third parties, and also disclosed to an unlimited number of persons in connection with corporate actions undertaken by PJSC "Aeroflot" and disclosure of information on the governing bodies of PJSC "Aeroflot" in accordance with applicable law and internal documents of PJSC "Aeroflot". This consent applies to the following personal data:*
- surname, first name, patronymic;*
 - date of birth;*
 - key biographical events;*
 - educational background;*
 - information about my professional activities;*
 - information about my membership in the governing bodies of legal entities and organizations.*

This consent takes effect upon signature and will remain in effect for two years after termination of my membership in the Audit Commission of PJSC "Aeroflot".

e) if case of change in any data stated herein, I undertake to immediately send information about it to the General Director of PJSC "Aeroflot".

Date: _____ 20__
