

APPROVED

By the [Annual] General Meeting of Shareholders  
of PJSC "Aeroflot" of June 22, 2015

Minutes No.\_\_\_\_, dated \_\_\_\_\_2015

**THE ARTICLES OF ASSOCIATION OF  
PUBLIC JOINT STOCK COMPANY  
«AEROFLOT - RUSSIAN AIRLINES»  
(Edition № 8)**

**Moscow 2015**

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## **Article 1. General Provisions**

Public Joint Stock Company «Aeroflot - Russian Airlines» (hereinafter, the Company), formerly named Open Joint Stock Company «Aeroflot - Russian Airlines», Open Joint Stock Company «Aeroflot - Russian International Airlines», established in compliance with Regulations of the Russian Federation Government No. 527 of July 28, 1992 «On Measures of Organization of International Air Communications of the Russian Federation», No. 267 of April 1, 1993 «On Joint Stock Company “Aeroflot - Russian International Airlines” and No. 314 of April 12, 1994 «On Adoption of the Articles of Association of Joint Stock Company «Aeroflot - Russian International Airlines» » as a Result of Reorganization of Industrial and Commercial Company “Aeroflot – Soviet Airlines”, the Central Administration of International Air Communications of the Civil Aviation of the Order of the Red Banner of Labour, the International Commercial Administration of the Civil Aviation, the Sheremetyevo Aviation and Technical Enterprise, the Center of International Settlements of the Civil Aviation, Inter-Regional Agency of Air Services «Rossia», including the rights and obligations provided for by international agreements of the Russian Federation and the former USSR on air traffic with foreign countries, as well as by contracts and agreements of the above said enterprises with foreign airlines, firms and companies.

The Company is a corporate commercial entity and its operations is guided by the Civil Code of the Russian Federation, the Air Code of the Russian Federation, Federal law No. 208-FZ of December 26, 1995 «On Joint-Stock Stock Companies» (hereinafter the Federal Law “On Joint Stock Companies”) and other statues and regulations of the Russian Federation.

## **Article 2. Name and Location of the Company**

2.1 The full corporate name of the Company is:

in Russian: публичное акционерное общество «Аэрофлот -  
российские авиалинии»;

in English: Public Joint Stock Company «Aeroflot - Russian Airlines».

2.2 The abbreviated name of the Company:

in Russian: ПАО «Аэрофлот»;

in English: PJSC «Aeroflot».

2.3 The Company’s place of business: the city of Moscow

The Company’s address: Arbat St., 10, Moscow 119002, Russian Federation.

## **Article 3. Legal Status of the Company**

3.1 The Company is a legal entity under the law of the Russian Federation. The Company acquires its legal capacity from the moment of entry of information on its establishment into the Unified State Register of Legal Entities.

The Company has in its possession separate assets that are accounted at its own balance sheet.

The Company may obtain and exercise on its behalf civil rights and civil obligations, to be a plaintiff and a defendant in any court.

3.2 The Company is entitled to open bank accounts in the territory of the Russian Federation and abroad.

3.3 The Company has a unique corporate emblem, a round seal with the Company's full corporate name in Russian and in English bearing its location and emblem, as well as stamps and letterheads with its full name and emblem, as well as one or several trademarks registered in conformity with the established procedure and other means of visual identification.

The Company in the capacity of the legal successor is the exclusive owner of the trademark «Aeroflot».

3.4 The main base airport of the Company is Sheremetyevo airport (Moscow Region, Khimkinsky District). Under the existing standards and regulations of the International Civil Aviation Organization (ICAO) applicable in the Russian Federation the Company has in its base airport the priority right against other airlines that operate from and are based in Sheremetyevo Airport to use parking stands for own aircraft, buildings and facilities as may be necessary for ground (technical and commercial) service of its own flights as well as fulfilling its contract obligations before foreign airlines carrying out flights to Sheremetyevo Airport in accordance with the terms and conditions of international agreements of the Russian Federation and the former Soviet Union on air communication with foreign countries.

3.5 In accordance with international agreements of the Russian Federation and of the former USSR in the sphere of the Civil Aviation as well as to the standards and regulations of ICAO applicable in the Russian Federation the Company is a national carrier of the Russian Federation.

3.6 A fiscal year of the Company coincides with a calendar year.

#### **Article 4. Liabilities of the Company**

4.1 The Company shall be held liable for all its obligations by all the property in its possession.

4.2 The State and its bodies shall not be held liable for the Company's obligations, nor the Company shall be held liable for the State's or its bodies' obligations.

4.3 The Company shall not be held liable for its shareholders' obligations.

4.4 The shareholders shall not be held liable for the Company's obligations except as provided by the Civil Code of the Russian Federation and other laws.

4.5 The Company, with the objective of implementation of the State social, economic and taxation policies shall be liable for:

- safe keeping of documents (bylaws, management, financial and economic, etc.);
- transferring document of scientific and historic importance to state agencies for retention and storage;
- custody, safety and use in the established order of the employees' personal files.

## **Article 5. Branches and Representative Offices of the Company**

5.1 The Company shall have the right to open in accordance with the established order branches and representative offices in the Russian Federation and abroad provided it follows the Federal Law «On Joint Stock Companies» and other Federal laws, and outside the Russian Federation - in compliance with the law of the foreign country in which branches and representative offices are located unless otherwise provided for by any international agreement of the Russian Federation.

5.2 Branches and representative offices shall operate on the basis of provisions approved by the Company. Branches and representative offices may be provided with the Company's property that is accounted either on their own balance sheets or on the balance sheet of the Company.

5.3 The management of the branches and representative offices' activities shall be executed by persons appointed by the General Director of the Company. The managers of branches and representative offices shall act under the power of attorney issued by the Company.

5.4 The information on branches and representative offices of the Company shall be specified in the Unified State Register of Legal Entities and in the Annex to these Articles of Association.

## **Article 6. Subsidiaries**

6.1 The Company may have subsidiary companies acting as legal entities in the Russian Federation and outside the Russian Federation territory established in compliance with the Federal law «On Joint Stock Companies» and other Federal regulations, and outside the Russian Federation - in accordance with the laws of the foreign country in which such subsidiary companies are located unless otherwise provided for by any international agreement of the Russian Federation.

6.2 A company shall be considered a subsidiary due to the Company's prevailing interest in the authorized capital or in accordance with a contract between them or if it otherwise can control such company's decisions.

6.3 A subsidiary company shall not be held liable for the debts of the parent company.

6.4 The parent company shall be held liable jointly and severally with a subsidiary company for the transactions as concluded by the latter under the instructions or with the consent of the parent company.

6.5 In case of insolvency (bankruptcy) of a subsidiary company due to a fault of the parent company the latter shall have the vicarious liability for its debts.

6.6 The shareholders of a subsidiary company shall be entitled to claim damages from the parent company, incurred through actions or inaction thereof.

## **Article 7. The Purpose and Types of Activities of the Company**

7.1 The purpose of the Company is to earn profits.

7.2 The Company shall engage in the following main types of activity:

- air carriage of passengers, baggage, cargo and mail on international and domestic flights on commercial basis in accordance with the requirements of the Air Code of the Russian Federation and other statutory and regulatory acts of the Russian Federation and the Company in the sphere of the Civil Aviation and subject to licenses to operate airlines issued in the established manner;
- foreign economic operations;
- organization of aeronautics and navigation, meteorological as well as ground support service of flights to ensure safety and regularity thereof;
- services for passenger and customers, rendering various types of services to them;
- cargo handling, services for consignees and consignor;
- airport operations to provide services to passengers, baggage, mail and cargo services;
- functions of a customs air carrier according to the procedure established by the Russian Federation legislation;
- maintenance and repair of aircraft manufactured in Russia and abroad;
- contracted ground (technical and commercial) service for aircraft of Russian and foreign airlines and companies;
- seats (aircraft space) reservations, issuance, processing and selling passenger, cargo and other traffic documents;
- training, recurrent, conversion and refresher training of flight crews, maintenance and other personnel required to perform international and domestic flights and air carriage as well as for other types of the Company's activities, including for other companies on contractual basis and for representative offices and branches of the Company in the Russian Federation and abroad;
- professional activities in the finance and credit field according to the Russian Federation legislation;
- professional activities on the securities market according to the Russian Federation legislation;
- development, implementation and utilization of information technologies and communication services, including software, in the sphere of aviation and other types of the Company's activities;
- publication and printing business, production and sales of advertising and souvenir products, selling, marketing and use of photo, movie and video products, including for commercial purposes;
- aviation security and protection of the Company activities against acts of unlawful interference;
- firefighting support for aircraft operations and infrastructure facilities of the Company;

- operations, including agency operations, in export and import of services, equipment, and materials; carrying out marketing and other studies; paid consulting and administration services in the field of international and domestic air transportation;
- renting (leasing) of aircraft manufactured in Russia and abroad, equipment, buildings and constructions and other property required for efficient conduct of the Company business;
- organization of hotel and tourist business;
- development of the material base of the social sphere to provide better social and economic welfare of the Company employees;
- medical care activities;
- construction and use of production and residential buildings, constructions, hotels and other facilities required for Company's operations;
- participation in the settlement of crisis situations pertaining to hi-jacking of aircraft and other acts of terrorism on the air transport;
- participation in organizing and conducting investigations of air accidents and incidents, organizing and conducting investigations of operational incidents, development and implementation of measures for prevention thereof, and participation in organizing and conducting search and rescue works;
- search and rescue support for aircraft operations;
- work with information constituting the State secret;
- concluding on behalf of the Company contracts (agreements) with Russian and foreign legal entities and individuals covering matters required to ensure effective activities of the Company in compliance with the requirements of the Air Code of the Russian Federation, other statutes of the Russian Federation and international agreements of the Russian Federation;
- providing services for carriage of weapons and ammunition.

The Company shall have the right to carry out any other kinds of activities which are not prohibited by the legislation.

In the cases provided by law, the Company may engage in certain activities only on the basis of special permits (licenses), membership in a self-regulatory organization or a certificate of admission to a particular type of work issued by a self-regulatory organization.

#### **Article 8. Assets and Authorized Capital of the Company**

8.1 The Company assets include fixed assets and circulating assets as well as other valuables the value of which is shown in the Company's own balance. The Company is the owner of the assets belonging thereto.

8.2 The Company is the owner of the financial funds, assets transferred to it by the shareholders; of the goods put out in the process of its production and economic activities; intellectual property, earned revenue, as well as of the property of its standalone branches.

8.3 The authorized capital of the Company is 1,110,616,299 (One billion one hundred and ten million six hundred and sixteen thousand two hundred and ninety nine) rubles.

The authorized capital is divided into 1,110,616,299 (One billion one hundred and ten million six hundred and sixteen thousand two hundred and ninety nine) placed registered ordinary shares with par value of 1 (one) ruble each giving its owner all the rights of a shareholder possessing ordinary shares in accordance with the Federal Law «On Joint Stock Companies» and these Articles of Association.

In addition to the placed shares, the Company shall be authorized to issue 250,000,000 (Two hundred fifty million) ordinary registered shares having par value of 1 (one) ruble each (authorized shares). Each share to be additionally placed shall grant to its holder the scope of rights defined by these Articles of Association, the same as the scope of rights provided for the placed shares.

8.4 The Company may increase its authorized capital by increasing the nominal value of the shares or by placing additional shares.

The decision to increase the Company's authorized capital by increasing the nominal value of shares shall be adopted by the General Meeting of Shareholders of the Company.

The decision to increase the Company's authorized capital by issuing additional shares within the number of authorized shares shall be adopted by the Board of Directors of the Company unanimously (without the votes of exiting members of the Board of Directors), unless otherwise provided by law. If no unanimity of the Board of Directors to increase the authorized capital by placing additional shares is reached, by decision of the Board of Directors, the item of increasing the authorized capital by placing additional shares may be brought to the general meeting of shareholders.

8.5 The resolution to increase the Company's authorized capital by placing additional shares shall contain: the number of additional shares to be placed within the limit of the authorized shares number of the given category (type): the way and the cost of placement of additional shares that are to be placed by subscription or the method of calculation thereof including the cost of placement or the way the cost of placement of additional shares to the shareholders having the preemptive right for acquisition of shares being thus placed can be calculated, the terms of payment for additional shares that are placed by subscription; other conditions of placement may be also specified.

8.6 Any increase of the authorized capital is allowed after it has been paid up in full pursuant to the procedure established by the Law of the Russian Federation.

8.7 The Company's authorized capital may be diminished by decreasing the nominal value of shares or by decreasing the total number thereof including redemption by the Company of a part of shares as provided in this Article.

8.8 The Company is not entitled to decrease its authorized capital if such decrease results in a lower total amount of the authorized capital than the minimum authorized capital amount set forth in the Federal law «On Joint-Stock Companies» as at the date of submission of documents to the State registrar for registration of relevant changes in the Company's Articles of Association.

8.9 The decision to reduce the Company's authorized capital by decreasing the nominal value of shares or by redemption of a part thereof in order to reduce their total



number and to make the necessary amendments to the Company's Articles of Association shall be resolved by the general meeting of shareholders of the Company.

8.10 If, at the end of the second or each subsequent fiscal year, the value of net assets of the Company is less than its announced authorized capital, the Company in the manner and within the period prescribed by law must increase the value of its net assets up to the amount of the authorized capital or duly register the reduction of the authorized capital. If the value of the said assets of the Company becomes lower than the minimal amount of the authorized capital prescribed by the law, the Company is subject to liquidation.

#### **Article 9. Founders and Shareholders of the Company.**

9.1 The founder of the Company is the Government of the Russian Federation.

9.2 Shareholders of the Company may be both Russian and foreign legal entities and natural persons and public law entities entitled to acquire Company's shares.

#### **Article 10. Profits and Funds of the Company.**

10.1 The profit the Company shall have after payment of taxes and other mandatory charges (net profit) belongs to the Company and is fully at its discretion.

10.2 The Company shall have the right to set up the following financial funds:

- the reserve fund;
- the business development fund;
- the social development fund;
- other funds necessary for its activity.

The purpose, size, and procedure of formation of the funds, procedure and ways of their spending are resolved by the Board of Directors of the Company.

10.3 The Company creates a reserve fund in the amount of 25 % (twenty five percent) of its authorized capital.

The reserve fund of the Company is intended for covering its losses and paying off Company's debentures and for redemption of shares of the Company in case of having no other funds.

The reserve fund is not allowed to be used for other purposes.

The reserve fund of the Company shall be formed by means of obligatory annual allocations until it has grown up to the amount provided hereby. The amount of annual allocations shall be at least 5% (five percent) of the net profit until it grows up to the amount as provided herein.

#### **Article 11. Securities of the Company.**

11.1 The Company shall have the right to issue ordinary shares.

11.2 All ordinary shares of the Company shall be registered shares.

11.3 The nominal value of all ordinary shares shall be equal.

11.4 Additional shares and other issuable securities of the Company placed by subscription shall be placed under the condition they are paid up in full.

11.5 The payment for additional shares placed by subscription may be made in cash, assets, shares (equities) in the authorized (share) capital of other economic partnerships and companies, government and municipal bonds, exclusive and other intellectual property rights and rights under license agreements, that have monetary value, as well as other assets permitted by law.

The form of payment for additional shares shall be determined in the resolution on the placement thereof.

The payment for other issuable securities shall be made by money only.

11.6 Payment for additional shares of the Company placed by subscription shall be at a price to be determined by the Board of Directors of the Company in accordance with Art. 77 of the Federal Law "On Joint-Stock Companies", but not lower than their par value. The placement price of additional shares placed by subscription and the procedure for its determination shall be set forth in the decision to increase the Company's authorized capital by placing additional shares, unless that decision provides that such price or its determination procedure shall be established by the Board of Directors of the Company no later than the commencement of the placement of additional shares.

The price of placement of additional shares to the shareholders of the Company in the exercise of their preemptive right to acquire shares may be lower than the price of placement to other persons, but not more than by ten (10) percent.

The remuneration of an intermediary participating in the placement of additional shares of the Company by subscription shall not exceed ten (10) percent of the price of placement of such shares.

11.7 In case the payment for additional shares of the Company is made in-kind the monetary evaluation of the values contributed as payment for the shares is performed by the Board of Directors of the Company in accordance with Article 77 of the Federal law «On Joint Stock Companies».

In case the payment for additional shares is made in-kind the services of an independent evaluator shall be used for determining the market value of such property. The amount of the evaluation made by the Board of Directors shall not be higher than the amount of the evaluation made by the independent evaluator.

11.8 The Company may issue debentures and other issuable securities convertible into shares by the decision of the Board of Directors of the Company unless, pursuant to the Federal Law "On Joint Stock Companies" and these Articles of Association, the autonomy of decisions belongs to the General Meeting of Shareholders.

11.9 The procedure of converting debentures and other issuable securities, except shares, shall be set forth in the resolution on the particular issue thereof.

No conversion of ordinary shares into preference shares as well as into debentures and other types of securities is allowed.

The placement of additional shares of the Company within the limits of the number of authorized shares as required for converting the convertible shares and other issuable securities of the Company which were placed into such shares shall be done through such conversion only.

11.10 Payment for issuable securities of the Company placed by subscription shall be at a price which, or the determination procedure for which shall be established by the Company's Board of Directors in accordance with Art. 77 of the Federal Law "On Joint-Stock Companies". Payment for issuable securities convertible into shares placed by subscription shall be at a price not lower than the par value of the shares into which such securities are converted.

The price of placement of issuable securities convertible into shares to shareholders of the Company in the exercise of their preemptive right to acquire such securities may be lower than the price of placement to other persons, but not more than by ten (10) percent.

The remuneration of an intermediary participating in the placement of issuable securities by subscription shall not exceed ten (10) percent of the price of placement of such issuable securities.

11.11 The Company shall have the right to arrange placement of additional shares and other issuable securities of the Company by both subscription and conversion.

The Company shall have the right to place Company's shares and issuable securities convertible into shares by both public and private subscription.

Any placement of shares (issuable securities of the Company convertible into shares by way of private subscription shall be only carried out by the decision of the General Meeting of shareholders on the increase of authorized capital of the Company through the placement of additional shares (through the placement of issuable securities of the Company convertible into shares) to be approved by the three-fourths majority of votes of the shareholders – holders of voting shares attending the General Meeting of shareholders.

Any placement through public subscription of ordinary shares that make more than 25 (twenty five) percent of the total of the previously placed ordinary shares shall be only carried out by the decision of the General Meeting of shareholders approved by the three-fourths majority of votes of the shareholders – holders of voting shares attending the General Meeting of shareholders.

Any placement through public subscription of issuable securities convertible into ordinary shares that can be converted into ordinary shares that would make more than 25% (twenty five) percent of the total of the previously placed ordinary shares shall be only carried out by the decision of the General Meeting of shareholders approved by the three-fourths majority of votes of the shareholders – holders of voting shares attending the General Meeting of Shareholders.

Any placement of shares and other issuable securities of the Company shall be carried out in accordance with the legislation and regulations of the Russian Federation.

11.12 The Company shall have the right to purchase its previously placed shares by resolution of the General Meeting of shareholders in case of decrease of authorized

capital of the Company by way of purchasing a portion of placed shares in order to cut down their total number.

The Company shall have no right to pass a decision to decrease the authorized capital of the Company by way of purchasing a portion of placed shares with the intention to cut down their total number if the total par value of the shares remaining in circulation shall be less than the minimum amount of the authorized capital as provided in the Federal law "On Joint Stock Companies".

The Company shall have the right to buy out shares placed by it by the decision of the Board of Directors of the Company.

The Company shall have no right to pass a decision on purchasing shares by the Company if the total par value of the shares in circulation shall go down to less than 90% (ninety percent) of the authorized capital of the Company.

11.13 The shares acquired by the Company under the decision of the General Meeting of shareholders on the decrease of the authorized capital of the Company by way of purchasing of shares to reduce the total number thereof shall be cancelled upon acquisition.

11.14 The shares purchased by the Company by the decision of the Board of Directors shall not give voting right, nor be taken into account in counting the votes, nor shall dividends be paid in respect thereof. Such shares must be disposed of by the Company at least at the then current market price within 1 (one) year after acquisition thereof, otherwise the General Meeting of shareholders must pass a decision to reduce the authorized capital of the Company by way of canceling such shares.

11.15 The resolution on purchasing shares shall indicate the categories (types) of shares being bought, the number of shares to be purchased by the Company by each category (type), the purchase price, the form and terms of payment as well as the period the shares are to be bought out.

At the time of purchase, the shares may be paid for in-kind.

The term the shares are to be purchased shall be at least 30 (thirty) days. The price of shares to be purchased by the Company is determined in accordance with Article 77 of the Federal Law "On Joint Stock Companies".

11.16 Any shareholder – holder of shares of certain categories (types) in respect of which a decision to purchase was made shall have the right to sell the said shares, and the Company shall have to buy them out.

If the total number of shares in respect of which the Company has received applications for their purchase by the Company exceeds the quantity of shares which may be acquired by the Company within the limitations set forth by this Article, the shares shall be acquired from the shareholders in proportion to the declared demands.

Not later than 30 (thirty) days before the beginning of the term during which the shares are to be purchased the Company shall be required to inform the shareholders - the holders of certain categories (types) of shares in respect of which a decision to purchase was made.

11.17 The Company shall have no right to purchase ordinary shares placed by the Company:

- until the entire authorized capital of the Company is paid up in full;
- if at the time of the redemption, the Company shows the signs of insolvency (bankruptcy) as provided in the legislation and regulations of the Russian Federation in respect of insolvency (or bankruptcy) of companies or the said signs would appear as a result of purchasing thereof;
- if at the moment of purchase of shares the value of the net assets of the Company is less than its authorized capital and the reserve fund of the Company, or would become less than the amount thereof as a result of the purchase of the shares;
- before all shares in respect of which applications for redemption under the provisions of Article 76 of the Federal Law "On Joint Stock Companies" have been made are redeemed.

11.18 The Company shall have the right to place debentures and other issuable securities including the ones convertible into shares as specified in the Russian Federation regulations on securities.

The placement of debentures convertible into shares and other issuable securities convertible into shares shall be carried out by decision of the Board of Directors of the Company subject to the provisions of Article 11 hereof.

11.19. The Company may not place any debentures and other issuable securities convertible into shares of the Company if the number of authorized shares of the Company of particular categories and types is less than the number of shares of these categories and types in respect of which the said securities give the right to buy.

#### **Article 12. Ensuring Shareholders' Rights Related to the Placement of Shares and Issueable Securities of the Company Convertible Into Shares**

12.1 In the cases and manner provided by law, the shareholders of the Company shall have preemption rights for acquisition of additional shares and issuable securities convertible into shares placed through subscription in the quantity proportionate to the number of shares of the same category (type) in their possession.

#### **Article 13. Rights of Shareholders – Holders of the Company's shares**

13.1 Every ordinary share of the Company confers upon the holder thereof equal scope of rights. Every ordinary share shall entitle the holder to one vote at the General Meeting of shareholders except as provided for hereby.

13.2 Shareholders - holders of ordinary shares of the Company, in accordance with the Federal Law "On Joint-Stock Companies" and these Articles, shall have the right to attend the General Meeting of shareholders with the right to vote on matters within the competence thereof, to receive dividends, and in the event of the Company's liquidation to a part of its assets.

Shareholders of the Company shall have the right to dispose of the shares in their possession without other shareholders' and the Company's consent.

13.3 Shareholders holding voting shares are entitled to demand from the Company to redeem all or part of their shares in the following cases:

- reorganization of the Company or entering into a major transaction, which was approved by the General Meeting of Shareholders in accordance with paragraph 3 of

Art. 79 of the Federal Law "On Joint Stock Companies", if they voted against the decision on the reorganization or on approval of the said transaction or did not participate in the voting on these issues;

- introduction of any changes or amendments to the Company's Articles of Associations (adoption of a decision by the General Meeting of Shareholders, which forms the basis for changing or amending the Company's Articles of Association) or approval of revised Articles of Association of the Company, which restrict their rights, provided that they voted against the relevant decision or did not participate in the voting;

- adoption of a decision by the General Meeting of Shareholders to file an application for the delisting of the Company's shares and (or) issuable securities of the Company convertible into its shares, provided that they voted against the relevant decision or did not participate in the voting.

13.4 The list of shareholders who have the right to demand the redemption by the Company of shares owned by them shall be composed based on the data of the Register of shareholders of the Company as of the date of drawing up the list of persons entitled to take part in the General Meeting of shareholders the agenda of which includes items that may give rise to the right for demanding the redemption of shares.

The aggregate amount of funds the Company may spend to redeem shares shall not exceed 10 (ten) percent of the value of the net assets of the Company as at the date of the decision giving rise to the right of shareholders to demand the redemption by the Company of shares in their possession.

13.5. Shares redeemed by the Company shall be at the disposal thereof. Such shares shall not provide vote rights or be accounted in the vote returns, nor dividends shall be paid for such shares. The said shares must be sold at least at the then current market price within no longer than one year from the date when the property rights for the shares were transferred to the Company; otherwise the General Meeting of shareholders must resolve to reduce the authorized capital of the Company by way of cancelling the said shares.

#### **Article 14. Company Dividends**

14.1 Dividends shall be paid out by the Company from its net profit.

14.2 Based on the results of the first three, six and nine months of a fiscal year and/or a full fiscal year, the Company has the right to make a decision as to (to declare) the payment of dividends on placed shares unless otherwise provided for by the Federal Law "On Joint Stock Companies". The decision on the payment (declaration) of dividends based on the results of the first quarter, six and nine months of a fiscal year may be taken within three months after the end of a corresponding period.

The decision on payment (declaration) of dividends shall be adopted by the General Meeting of shareholders. The said decision shall determine the amount of dividends on shares of each category (type), the form of payment, the procedure of payment of dividends in kind, the date as of which the persons entitled to receive dividends are to be determined. The decision as related to setting the date as of which the persons entitled to receive dividends are to be determined shall be made only following a proposal of the Board of Directors of the Company.

The amount of dividends may not exceed the amount recommended by the Board of Directors of the Company.

The date as of which in accordance with the decision on payment (declaration) of dividends the persons entitled to receive dividends are to be determined, can not be set earlier than 10 days from the date of the decision on payment (declaration) of dividends or later than 20 days from the date of such decision.

The General Meeting of shareholders may decide not to pay dividends on shares in cases stipulated by legislation of the Russian Federation.

14.3 The procedure of dividends payment shall be determined by the decision of the General Meeting of the shareholders on dividends payment.

14.4 For each payment of dividends a list of shareholders entitled to receive dividends shall be made.

14.5 The Company has no right to make a decision (a declaration) of dividends payment (including dividends for the first three, six and nine months of a financial year) on its shares:

- until the total amount of the authorized capital of the Company has been paid up in full;

- until all the shares that must be redeemed pursuant to the provisions of Article 76 of the Federal Law "On Joint Stock Companies" have been redeemed;

- if at the date of such decision the Company meets the criteria of insolvency (bankruptcy) according to the legislation of the Russian Federation on insolvency (bankruptcy) or if the said criteria would appear as a result of the payment of the dividends;

- if at the date of such decision the value of the net assets of the Company is less than the amount of its authorized capital and reserve fund or would become less than the value thereof as a result of such a decision;

- in other cases provided by Federal Laws.

14.6 The Company shall have no right to pay out any declared dividends on shares:

- if at the date of payment the Company meets the criteria of insolvency (bankruptcy) according to the legislation of the Russian Federation on insolvency (bankruptcy) of enterprises or if the said criteria would appear as a result of the payment of dividends;

- if at the date of such payment the value of the net assets of the Company is less than the amount of its authorized capital and reserve fund or would become less than the value thereof as a result of such a payment;

- in other cases provided by Federal Laws.

As soon as the circumstances detailed in this Article cease to exist the Company must pay the declared dividends to the shareholders.

## **Article 15. The Register of the Shareholders of the Company**

15.1 The Company must ensure maintenance and retention of the Register of the Shareholders of the Company in the manner established by the legislation of the Russian Federation.

15.2 The holder of the Register of the Shareholders of the Company shall be a professional participant of the securities market engaged in the business of maintaining a register of registered securities holders (hereinafter "Specialized Registrar").

15.3 The holder of the Register of the Shareholders of the Company must upon a request of a shareholder or nominal holder of shares confirm his/her/its rights for shares by issuing an extract from the Company's Register of Shareholders, which is not a security. A loss (damage, destruction, etc.) of such an extract shall have no consequences for the rights and obligations the Shareholders of the Company.

15.4 Persons registered in the Register of the Shareholders of the Company must timely inform the holder of the Register of the Shareholders of the Company of all the changes in their data. In case of a failure by such persons to submit information about changes in their data the Company and the holder of the Register shall not be liable for any resultant losses.

## **Chapter 16. The General Meeting of Shareholders**

16.1 The supreme managing body of the Company shall be the General Meeting of shareholders.

The Company shall be responsible to hold Annual General Meetings of Shareholders every year.

The Annual General Meeting of Shareholders shall be held not earlier than three months and not later than six months after the end of the fiscal year.

The Annual General Meeting of Shareholders resolves the issues of election of members to the Board of Directors, to the Audit Commission of the Company, approval of the Statutory Auditor of the Company, issues provided for by subparagraph 10 of paragraph 16.8. of Article 16 of these Articles of Association, as well as any other issues within the competence of the General Meeting of shareholders.

General Meetings held in addition to Annual General Meetings of Shareholders of the Company shall be Extraordinary General Meetings.

16.2 The date and procedures of the General Meeting of Shareholders, the procedure of notification of shareholders about the convention of the General Meeting, the list of materials (information) to be provided to shareholders during the preparation of the General Meeting of Shareholders shall be determined by the Board of Directors of the Company in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Regulations of the General Meeting of the shareholders of of the Company.

16.3 The list of persons entitled to take part in the General Meeting of Shareholders shall be composed on the basis of the data from the Register of Shareholders as at the date to be determined by the Board of Directors of the Company.



16.4 The date of drawing up of the list of persons entitled to take part in the General Meeting of Shareholders may not be earlier than 10 (ten) days after the date when the decision to hold the General Meeting of Shareholders is made or earlier than 50 (fifty) days before the date of the General Meeting of Shareholders, and in the case provided for in paragraph 2 of article 53 of the Federal Law "On Joint-Stock Companies" may not be earlier than 80 (eighty) days before the date of the General Meeting of Shareholders.

The list of persons entitled to attend the General Meeting of Shareholders shall be made available, on request, by the Company for familiarization to the persons included in the list and possessing at least 1 (one) percent of votes on any agenda issue of the General Meeting in the order specified for providing information (materials) during preparation of the General Meeting. The data in the documents and mailing addresses of natural persons contained in the list shall be revealed only with consent of such persons.

Upon any interested person's request, the Company must provide, within three days, to such person an extract from the list of persons entitled to attend the General Meeting of shareholders that contains information about such person or a written reply certifying that the person concerned has not been included into the list of persons entitled to attend the General Meeting of shareholders.

Any changes may be made by the Board of Directors to the list of persons entitled to attend the General Meeting of shareholders only in case of restoration of violated rights of persons omitted from the list as of the date of its finalization or correction of errors made in the process of its preparation.

16.5 The General Meeting of shareholders shall have the authority (have the quorum) if it is attended by shareholders who owns in aggregate more than half of votes of the placed voting shares of the Company.

In determining presence of the quorum and in counting the votes partial votes represented by fractional shares shall be summed up without rounding.

The shareholders who registered for participation in the General Meeting of shareholders and the shareholders whose ballots were received not later than two days prior to the date of the General Meeting of shareholders shall be deemed to have participated in the General Meeting of shareholders. In case of General Meeting of shareholders held in the form of absentee voting the shareholders whose ballots were received before the deadline date for acceptance of ballots shall be deemed to have participated in the General Meeting of shareholders.

The General Meeting held in the form of joint personal attendance for discussing agenda items shall be opened if by the time of its opening the quorum for at least one of the issues in the agenda of the General Meeting is present.

If by the time of the General Meeting commencement no quorum is present to resolve at least one single agenda item the opening of the General Meeting shall be adjourned for 1 hour.

The General Meeting of shareholders is allowed to be adjourned only once.

16.6 In the event no quorum is present for holding an Annual General Meeting of Shareholders the Meeting must be adjourned and held again with the same agenda.

It is prohibited to change the agenda of the adjourned Annual General Meeting.

In the event no quorum is present for holding an Extraordinary General Meeting of Shareholders the Meeting may be adjourned and held again with the same agenda.

An adjourned General Meeting of Shareholders convened instead of a failed one shall have the power (have the quorum) if it is attended by shareholders (their proxies ) who hold in aggregate at least 30 (thirty) percent of votes represented by placed voting shares of the Company.

A notice of the adjourned General Meeting of Shareholders shall be given in accordance with the requirements of Article 52 of the Federal Law "On Joint Stock Companies".

When an adjourned General Meeting of shareholders is held in less than 40 days after a failed General Meeting, the persons having the right to participate in the adjourned General Meeting shall be determined according to the list of persons who had the right to participate in the failed General Meeting of Shareholders.

16.7 Any shareholder may exercise the right to participate in the General Meeting of Shareholders in person or through a representative.

Any shareholder shall have the right any time to replace his/her proxy at the General Meeting of Shareholders or to attend the General Meeting of Shareholders in person.

A shareholder's proxy at the General Meeting of Shareholders shall act in accordance with the powers provided by applicable regulations of the Russian Federation.

A proxy card authorizing the proxy to vote shall be drawn up in compliance with the provisions of the Civil Code and other Statutes of the Russian Federation.

16.7.1 In the event that any transfer of shares occurs after the date of drawing up of the list of persons entitled to participate in a General Meeting of Shareholders and prior to the date of the General Meeting of Shareholders (hereinafter referred to as shares transferred after the date of drawing up of the list), any person included in the list shall issue a proxy card to the transferee or shall vote at the General Meeting in accordance with the transferee's instructions, if the contract for the transfer of shares so provides.

The above rule shall also apply to any subsequent case of the transfer of shares.

16.7.2 In case of transfer of shares after the list of shareholders was drawn up to two or more acquirers the person included in the list of persons entitled to attend the General Meeting must vote at the General Meeting of shareholders in compliance with the instructions of each of the acquirers of shares and / or issue to each of them a proxy card enabling them to vote at the General Meeting indicating in such proxy card the number of shares the said proxy is allowed to vote by.

If the instructions of the acquirers of shares are identical their votes shall be summed up. If the instructions of the acquirers with respect of the voting on the same issue in the agenda of the General Meeting are not identical the person included in the list of the persons entitled to attend the General Meeting must vote on such issue in

compliance with the given instructions by the number of votes that is provided by the shares held by each of the acquirers.

If the shares giving the right to vote at the General Meeting of Shareholders are circulating outside the Russian Federation in the form of securities of a foreign issuer issued pursuant to applicable foreign legislation and certifying the rights for such shares (depository securities) the voting by such shares shall be carried out only in accordance with the instructions of the holders of the depository securities.

16.7.3 In case a share is in joint shared ownership of several persons the rights to vote at the General Meeting of shareholders shall be exercised at the discretion of such persons either by one of the holders of the ownership in common or by their joint proxy.

The powers of each such person must be duly certified by a written instrument.

16.8. The following issues fall within the General Meeting of Shareholders' competence:

- 1) making amendments or additions to the Articles of Association of the Company in cases provided by the applicable legislation of the Russian Federation or approval of a new revision of the Articles of Association of the Company;
- 2) reorganization of the Company;
- 3) winding up of the Company, appointment of a liquidation commission and approval of the preliminary and final liquidation balance sheets;
- 4) election of members to the Board of Directors and early termination of their term of office;
- 5) determination of category (type), quantity, par value of declared shares and rights vested thereby;
- 6) increase of the authorized capital of the Company by increasing the par value of the shares or by placing additional shares in cases provided for by the laws and hereby;
- 7) decrease of the authorized capital of the Company by way of decreasing the shares par value, by purchasing by the Company of a part of shares in order to reduce the total number thereof and by canceling the shares purchased or redeemed by the Company;
- 8) election of members of the Audit Committee of the Company and early termination of their term of office;
- 9) approval of the Statutory Auditor of the Company;
- 10) approval of the annual reports, annual accounting statements, including statements of profit and loss (profits and losses accounts) of the Company, as well as distribution of profit (including distribution (declaration) of dividends, excluding the profit distributed as dividends based on results of the first three, six, nine months of a fiscal year) and losses of the Company based on the results of a fiscal year;
- 11) setting up proceedings at the General Meeting of shareholders;
- 12) splitting and consolidating shares;

13) adopting resolutions on approving transactions in cases specified in Article 83 of the Federal Law «On Joint-Stock Companies»;

14) adopting resolutions on approving major transactions in cases specified in Chapter X of the Federal Law «On Joint-Stock Companies»;

15) purchasing placed shares by the Company in cases provided by the Federal Law «On Joint Stock Companies»;

16) adopting resolutions on participation in financial and industrial groups, associations and other alliances of commercial organizations;

17) approval of the Company's Provisions on the General Meeting of shareholders, the Board of Directors, the Executive Board and the Audit Commission of the Company;

18) payment (declaration) of dividends based on the results of the first three, six and nine months of a fiscal year;

19) placing debentures convertible into shares and other issuable securities convertible into shares;

20) approval of amounts of remunerations and compensations payable to the members of the Board of Directors, the Audit Commission of the Company;

21) adoption resolutions on filing an application for the delisting of the Company's shares and (or) issuable securities of the Company convertible into its shares;

22) resolving other issues provided by the Federal Law "On Joint Stock Companies".

The issues that fall within the competence of the General Meeting of Shareholders cannot be delegated for resolution to the Board of Directors of the Company or an executive body of the Company.

The General Meeting of Shareholders shall have no authority to resolve any issues outside its competence.

16.9 The voting at the General Meeting of Shareholders shall be carried out according to the principle «one voting share of the Company - one vote» with the exception of the cumulative voting in the case provided by the Federal Law «On Joint Stock Companies».

16.10 At any General Meeting of Shareholders all decisions on agenda items put to vote shall be taken on a poll by ballots only.

The form and wording of the ballot shall be approved by the Board of Directors of the Company.

When holding a General Meeting of Shareholders ballots must be sent or delivered in person against receipt to every person included in the list of persons entitled to participate in the General Meeting of Shareholders not later than 20 (twenty) days before the date of the General Meeting of Shareholders.

When holding a General Meeting of Shareholders, except for the General Meeting held by absentee voting, persons included in the list of persons entitled to participate in the General Meeting of shareholders (their proxies) shall be entitled either to attend such General Meeting or to send filled out ballots to the Company. And for the purposes of determining presence of the quorum and summing up the vote returns the votes represented by ballots shall be taken into account provided they are received by the Company not later than 2 (two) days before the date of the General Meeting of Shareholders.

16.10.1 A ballot shall contain:

- the full corporate name and address of the Company;
- the form of conducting the General Meeting of shareholders (meeting with personal attendance or by absentee voting);
- the date, venue and time of the General Meeting of shareholders, and mailing address where the filled out ballots are to be sent to, and, in case of holding the

General Meeting of shareholders in the form of absentee voting, the deadline date for acceptance of ballots and the mailing address where the filled out ballots are to be sent;

- the wording of resolutions on each issue (name of each nominee) to be voted by any particular ballot;
- the voting options for every issue in the agenda to be voted expressed by statements "for", "against", "abstained".
- the statement that the ballot must be signed by the shareholder (the person entitled to attend the General Meeting of shareholders).

In the ballot, opposite to each voting option, there shall be a margin for indication of the number of votes cast for each voting option, and the number of votes belonging to the person entitled to attend the General Meeting may also be indicated therein. If the ballot is used for voting on two or more issues of the agenda of the General Meeting and the number of votes that the person entitled to attend the General Meeting may cast do not coincide in respect of different issues of the agenda of the General Meeting, the ballot shall indicate the number of votes that the person entitled to attend the General Meeting may cast on each of the issues of the agenda of the General Meeting.

The list and the content of instructions to be provided in the ballot are set forth in paragraph 9.4.2 of Article 9 of the Provisions on the General Meeting of Shareholders of PJSC "Aeroflot".

16.10.2 When the issue of election of a member to the Board of Directors or the Audit Commission of the Company is put to vote the ballot shall contain the information on the nominee (nominees) specifying his/her surname, forename and patronymic.

16.10.3 In case of a cumulative voting the ballot shall contain relevant notice about that and an explanation as to what the cumulative voting is.

16.11 The resolution of the General Meeting of Shareholders on any issue put to vote shall be adopted by the majority of votes of shareholders – holders of voting shares

of the Company attending the meeting if it is not otherwise provided by the Federal law "On Joint Stock Company".

Resolutions on issues specified in subparagraphs 1 to 3, 5, and 21 of paragraph 16.8. of Article 16 of these Articles of Association shall be adopted by the General Meeting of shareholders by the three-fourths majority vote of the shareholders –holders of voting shares attending the General Meeting of shareholders.

Resolutions on issues specified in subparagraphs 2, 6, 12 to 18 of paragraph 16.8. of Article 16 of these Articles of Association shall be taken by the General Meeting of Shareholders only if submitted by the Board of Directors of the Company.

The General Meeting of shareholders shall have no authority to resolve items that have not been included in the agenda thereof or to change the agenda.

16.12. In the cases and manner provided by law, a shareholder shall have the right to raise a claim in court against any resolution adopted by the General Meeting of shareholders with violation of provisions of the Federal Law «On Joint Stock Companies», other statutes or regulations of the Russian Federation, or the Articles of Association of the Company.

16.13 A resolution of the General Meeting of shareholders can be adopted without convening a Meeting (joint attendance of shareholders for discussing agenda items and adopting resolutions on items put to vote) by absentee voting (by polling). The date of the General Meeting held by absentee voting shall be the deadline date specified for acceptance of ballots.

Resolutions of the General Meeting of shareholders on issues specified in paragraph 16.1 of Article 16 of these Articles of Association cannot be adopted by absentee voting (by polling).

Resolutions of the General Meeting of shareholders adopted by absentee voting (polling) shall be deemed valid if shareholders possessing in aggregate more than half of voting shares of the Company participated in the voting.

Absentee voting shall be carried out by ballots that meet the requirements of Article 60 of the Federal Law «On Joint Stock Companies». The date of delivery of voting ballots to shareholders must be determined at least 20 (twenty) days before the day when the Company ceases the acceptance of ballots.

16.14 A specialized registrar of the Company shall carry out the functions of the Tallying Commission.

The Tallying Commission shall check the powers and register persons attending the General Meeting of shareholders, verify the quorum of the General Meeting of shareholders, provide explanations for issues arising in connection with exercising by shareholders (their proxies) of their voting rights, gives advice on the procedures of voting on the issues put to vote, ensures due order of voting and shareholders' right to participate in the voting, count and sum up votes cast, draw up the vote returns protocol and hand over the voting ballots to the archive.

The procedure of registration of persons entitled to attend the General Meeting for participation in the General Meeting is provided in Article 7 of the Provisions on the General Meeting of Shareholders of OJSC «Aeroflot».

16.15 Proceeding from the vote returns the Tallying Commission shall complete the vote returns protocol of the General Meeting of Shareholders to be signed by persons authorized by the Registrar performing the functions of the Tallying Commission.

The list of information to be provided in the vote returns protocol of the General Meeting, and the procedure of drawing up the vote returns protocol are provided in paragraphs 14.2. and 14.7. of Article 14 of the Provisions on the General Meeting of Shareholders of OJSC «Aeroflot».

The vote returns protocol shall be completed not later than 3 (three) working days after the date the General Meeting of Shareholders was closed or the deadline date for acceptance of ballots in the event the General Meeting of Shareholders is held in the form of absentee voting.

After the vote returns protocol is completed and the minutes of the General Meeting of shareholders are signed the Tallying Commission shall seal and hand over the ballots to the corporate archive of the Company for storage.

The vote returns protocol shall be attached to the minutes of the General Meeting of Shareholders.

16.16 The minutes of the General Meeting of Shareholders shall be drawn up in two copies not later than 3 (three) working days after the General Meeting of Shareholders is closed. Both copies shall be signed by the chairperson of the General Meeting of shareholders and by the Secretary of the General Meeting of shareholders.

The list of information to be provided in the minutes of the General Meeting of shareholders, and the procedure of drawing up the minutes of the General Meeting of shareholders are provided in paragraph 15.2. of Article 15 and paragraph 14.7. of Article 14 of the Provisions on the General Meeting of Shareholders of OJSC "Aeroflot".

The following is to be attached to the minutes of the General Meeting of Shareholders:

- the vote returns protocol of the General Meeting of Shareholders;
- the documents passed or approved under resolutions of the General Meeting of Shareholders.

16.17. The minutes and the vote returns protocol shall be brought to the attention of the persons included in the list of persons entitled to attend the General Meeting of shareholders in the form of a vote returns protocol in the manner prescribed for the notice of the General Meeting of shareholders not later than four working days after the date of closing of the General meeting of Shareholders or the deadline for receipt of ballots if the General Meeting of shareholders is held in the form of absentee voting.

## **Chapter 17. Preparation for the General Meeting of Shareholders**

17.1 While preparing for holding the General Meeting of shareholders the Board of Directors of the Company shall determine:

- the form of conducting a General Meeting (personal attendance or absentee voting);

- the date, venue and hour of a General Meeting of Shareholders, as well as the mailing address to which the completed ballots can be forwarded, and in case of absentee voting - the deadline date for accepting the ballots. The General Meeting shall be held in the city of Moscow or in the Moscow region;

- the agenda of a General Meeting of Shareholders;

- the date for completing the list of persons entitled to attend the General Meeting of Shareholders;

- the procedure of giving notice of the General Meeting to shareholders;

- the list of information (materials) to be made available to shareholders in the process of preparation for a General Meeting of shareholders and the procedure for making it (them) available;

- - the form and text of the ballots.

17.2 A notice of a General Meeting of Shareholders of the Company must be given not later than 30 (thirty) days before the date thereof unless a longer period is provided for by the laws.

The notice to persons included in the list of persons entitled to attend the General Meeting of Shareholders shall be made by publication of the relevant information on the official website of the Company in the Internet at the address: [www.aeroflot.ru](http://www.aeroflot.ru). Additionally the notice of a General Meeting of Shareholders may be published in other printed media or other mass media accessible to all shareholders of the Company.

In case a person registered in the Company Register of Shareholders is a nominal holder of shares the notice of a General Meeting shall be sent to such nominal holder of the shares.

17.3 The notice of a General Meeting of Shareholders shall contain the following information:

- the full corporate name and address of the Company;

- the form of the General Meeting of shareholders (personal attendance or absentee voting);

- the date and venue and hour of the General Meeting of shareholders and when the completed ballots can be sent to the Company the mailing address the ballots can be delivered to, or, in case of a General Meeting held by absentee voting, the deadline date of accepting the mailed ballots and the mailing address the filled in ballots can be delivered to;

- the time of the beginning of registration of the persons attending the General Meeting in case the General Meeting is held in the form of meeting (joint personal attendance of shareholders);

- the date of completion of the list of persons entitled to attend the General Meeting of shareholders;

- the issues included in agenda of the General Meeting of shareholders;



- the procedure of access to the information (materials) to be made available during the preparation for the General Meeting of shareholders and address (addresses) where it can be received for familiarization.

17.3.1 The information (materials) to be made available to persons entitled to attend the General Meeting of Shareholders during the preparation for the General Meeting shall include the annual accounting statements of the Company, including the opinion of the Auditor, the opinion of the Audit Commission of the Company on the results of the auditing of the annual accounting statements, information on the nominees for election to the Board of Directors of the Company and to the Audit Commission of the Company, recommendations of the Board of Directors of the Company on the allocation of the profit including the amount of dividends payable on the Company shares and procedures of payment thereof, and of the losses of the Company at the end of a fiscal year, proposed changes and amendments to the Articles of Association of the Company or a draft new revision thereof, and other information as provided by the applicable legislation of Russian Federation and the Articles of Association of the Company.

17.3.2. Additional information mandatory to be made available to the persons entitled to attend the General Meeting during the preparation thereof when the agenda includes the item of election of the members of the Board of Directors, members of the Audit Commission, includes information of having (or not) a written consent of the nominees for election to a corresponding body of the Company.

17.3.3 The list of additional information (materials) mandatory to be made available to the persons entitled to attend the General Meeting during the preparation thereof:

- in the event the agenda includes issues the voting on which may give rise to the right to demand redemption of shares by the Company;

- in the event the agenda includes the issue of the Company reorganization as detailed in paragraphs 5.5.2 and 5.5.3. of the Provisions on the General Meeting of Shareholders of the Company.

17.3.4 The Information (materials) detailed in the list of the information to be made available to shareholders during the preparation for the General Meeting of Shareholders, within 30 (thirty) days prior to the General Meeting of Shareholders shall be made available to persons entitled to attend the General Meeting of the Shareholders in the office at the Company's domicile, as well as at alternative locations the addresses of which are specified in the notice of the General Meeting of Shareholders.

The aforesaid information (materials) shall be accessible to the persons attending the General Meeting of Shareholders during the time it is held.

Upon a request by a person entitled to attend the General Meeting of Shareholders the Company must provide copies of the aforesaid documents to such a person within 5 days from the date of the receipt by the Company of such a request. The payment charged by the Company for providing the said copies shall not exceed the costs of such copies production.

17.4. Shareholders (a shareholder) of the Company who in aggregate hold(s) not less than 2 (two) percent of the voting shares of the Company shall be entitled to put

issues on the agenda of the Annual General Meeting of Shareholders and to nominate candidates to the Board of Directors of the Company and to the Audit Commission of the Company, whose number shall not exceed the numerical composition of the relevant body as established at the previous General Meeting of Shareholders. Such proposals must be submitted not later than 50 days after the end of a fiscal year.

If the proposed agenda of an Extraordinary General Meeting of Shareholders contains an issue of election of the members to the Board of Directors of the Company the shareholders (a shareholder) who in aggregate hold(s) at least 2 (two) percent of the Company's voting shares shall be entitled to make nominations for election to the Board of Directors of the Company, whose number shall not exceed the numerical composition or the Board of Directors of the Company. Such proposals must be submitted to the Company at least 30 (thirty) days prior to the date of an Extraordinary General Meeting.

The number of voting shares belonging to shareholders (a shareholder) proposing issues to be included in the agenda of a General Meeting shall be assessed as at the date of making such a proposal.

17.5 Any motion to include any items in the agenda of the General Meeting of shareholders and regarding nominations for election shall be made in writing detailing the names of the shareholder(s), making the motion as well as the number and the category (type) of shares belonging to them and must be signed by the shareholder(s).

17.5.1 Any motions to include items in the agenda and nominations for elections to the Board of Directors and to the Audit Commission of the Company may be made by way of:

- mailing to the address of the Company indicated in the Unified State Register of Legal Entities;
- delivery in person against receipt to the person who is performing the functions of the sole executive body of the Company, the Chairman of the Board of Directors of the Company or to any other person authorized to accept written correspondence addressed to the Company.

If any motion to include items in the agenda of the General Meeting is sent by post the date indicated on the date stamp certifying the date of sending the postal item shall be deemed to be the date of delivery of the motion, and in case the proposal is delivered in person against receipt the date of the handing over shall be deemed to be the date of delivery of the motion.

17.5.2 If any motion to include items in the agenda of a General Meeting of Shareholders is signed by a shareholder's proxy the proxy card shall be attached (a duly certified copy of the proxy card) containing the information of the person represented by the proxy and of the proxy that, in accordance with the Federal law "On Joint Stock Companies", is to be provided in a proxy card for voting and processed in compliance with the requirements of the Federal law "On Joint Stock Companies" concerning the contents of the proxy card for voting.

17.5.3 A proposal to the agenda of the General Meeting of shareholders is considered to be received from the shareholders who (whose representatives) signed it.

17.5.4 If a motion to include items in the agenda of a General Meeting of Shareholders is signed by a shareholder (his/her/its representative) whose rights to the

shares are accounted in a custodial account with a depository, the shareholder's custodial account statement with the depository which takes account of the rights for the shares must be attached to the motion.

17.6 The motions to include items in the agenda of the General Meeting of Shareholders shall contain a wording of each proposed item, and nomination motions shall contain the name of every nominee candidate and the body such nominee is proposed for election to. The motions to include items in the agenda of a General Meeting of Shareholders may contain a proposed wording of resolution on each proposed agenda item.

17.6.1 When nominations are made to the Board of Directors of the Company and to the Audit Commission of the Company a written consent of the nominees and personal information about him/her that is to be made available to persons entitled to attend the General Meeting during preparation thereof may be attached to the motion.

17.7 The Board of Directors of the Company must consider all the submitted proposals and make a decision either to include the proposed item(s) into the agenda or to refuse to do so not later than 5 (five) days after the expiry of the term specified in Article 17.4 hereof. Any item proposed by a shareholder (shareholders) is to be included in the agenda of a General Meeting of Shareholders, as well as nominees are to be included into the ballot for the elections to the Board of Directors of the Company and the Audit Commission of the Company with the exception of the cases when:

- the shareholder (shareholders) fails to comply with the terms established herein for submitting motions concerning inclusion of issues in the agenda of the General Meeting of Shareholders;

- the shareholder (shareholders) owns less than 2 (two) percent of voting shares of the Company;

- the motion does not comply with the requirements of these Articles of Association or the laws;

- the issue proposed for the agenda of the General Meeting of shareholders is not within the competence of the General Meeting and (or) does not comply with the requirements of the Federal Law «On Joint Stock Companies» or other Statutes of the Russian Federation.

17.8 A motivated decision of the Board of Directors of the Company about the refusal to include a proposed item in the agenda of a General Meeting of Shareholders or a nominee into the ballot for the elections to the relevant body of the Company shall be advised to the shareholder (shareholders) who proposed such an item for inclusion in the agenda or a nomination not later than 3 (three) days from the date of the decision.

17.9 The Board of Directors of the Company shall not be authorized to make any changes in the wordings of items proposed for inclusion in the agenda of the General Meeting of Shareholders, and in wordings of proposed resolutions on the said issues.

17.10 In addition to items proposed by shareholders for inclusion in the agenda of a General Meeting of Shareholders as well as in cases there are no such motions, lack or insufficient number of nominees proposed by shareholders to form a corresponding body the Board of Directors shall be entitled to include items in the

agenda of the General Meeting or nominees into the nominations list for election to the bodies of the Company as the Board of Directors sees fit.

### **Article 18. The Extraordinary General Meeting of Shareholders**

18.1 The Extraordinary General Meeting of Shareholders shall be convened and held by the decision of the Board of Directors of the Company on its own initiative, on request of the Audit Commission of the Company, the Auditor of the Company as well as of any shareholder (shareholders) who holds at least 10 (ten) percent of voting shares of the Company as at the date of the request.

18.2 The Extraordinary General Meeting of Shareholders to be convened at the request of the Company's Audit Commission, Auditor or shareholders holding at least 10 (ten) percent of the Company's voting shares shall be held within 50 (fifty) days from the date the request to hold an Extraordinary General Meeting of Shareholders is submitted, except where the Extraordinary General Meeting of Shareholders has on its agenda the election of members of the Board of Directors.

In cases the proposed agenda of the Extraordinary General Meeting of Shareholders contains the item of elections of the members to the Board of Directors who are to be elected by cumulative vote the General Meeting of Shareholders shall be held within 95 (ninety-five) days from the date of the request to convene the Extraordinary General Meeting of Shareholders.

In cases where, in compliance with the requirements of Article 68 of the Federal Law «On Joint Stock Companies», the Board of Directors of the Company must take a decision to convene the Extraordinary General Meeting of Shareholders for election of the members of the Board of Directors such General Meeting shall be held within 40 days from the date of such decision of the Board of Directors.

18.3 The request for convening the Extraordinary General Meeting of Shareholders shall detail the items to be included in the agenda of the proposed meeting. The request may contain the wordings of proposed resolutions on each of those items and a suggestion regarding the convening form of the General Meeting of shareholders. In case the request for convening the Extraordinary General Meeting of shareholders contains a proposal on nominations such a proposal is subject to the provisions of Article 53 of Federal Law «On Joint Stock Companies» as well as of paragraphs 17.5 and 17.6 of Article 17 of these Articles of Association.

The Board of Directors of the Company shall have no authority to introduce any changes into wordings of such items of the agenda or change the form of the Extraordinary General Meeting of Shareholders being convened by the request of the Audit Commission of the Company, the Auditor of the Company or shareholders owning at least 10 (ten) percent of voting shares of the Company.

18.4 In case the request to convene the Extraordinary General Meeting of Shareholders is initiated by a shareholder(s) it shall contain the name(s) of such shareholder(s) and details of the number, category (type) of shares held by the shareholder(s).

The portion of voting shares held by the shareholder(s) requesting to convene the Extraordinary General Meeting of Shareholders shall be assessed at the date the request was made.

The request to convene the Extraordinary General Meeting of Shareholders shall be signed by the person(s) requesting to call the Extraordinary General Meeting of Shareholders.

The request to convene the Extraordinary General Meeting shall be deemed to be submitted by the shareholder(s) who (whose representatives) signed it.

18.4.1 The request to convene the Extraordinary General Meeting may be made by:

- mail to the address of the Company indicated in the Unified State Register of Legal Entities;

- hand delivery against receipt to a person who carries out the functions of a sole executive body of the Company, to the Chairman of the Board of Directors of the Company or any other person authorized to accept written correspondence addressed to the Company.

18.4.2 If the request to hold an Extraordinary General Meeting is sent by an ordinary letter or as any other ordinary postal item, the date indicated on the postal date stamp confirming the delivery of the postal item shall be considered to be the date of delivery of the request, and if the request to hold the Extraordinary General Meeting of shareholders is sent by registered letter or as any other registered postal item the date of the delivery to addressee shown in the relevant receipt shall be deemed the date of delivery of the request.

18.4.3 If the request to hold an Extraordinary General Meeting is delivered against receipt the date of handing over of such a request shall be deemed the date of the delivery of the request.

18.5 The decision by the Board of Directors of the Company about convening the Extraordinary General Meeting of shareholders or refusal to do so shall be made within at 5 (five) days from the date the request was submitted by the Audit Commission, the Auditor of the Company or by a shareholder (shareholders) who owns not less than 10 (ten) percent of the voting shares of the Company.

The decision to refuse to convene the Extraordinary General Meeting of the shareholders under the request of the Audit Commission, of the Auditor of the Company and of a shareholder (shareholders) who owns not less than 10 (ten) percent of voting shares of the Company may be taken if:

- the rules of submittal of the request to convene the Extraordinary General Meeting provided in Article 55 of the Federal Law «On Joint Stock Companies» are not complied with;

- the shareholder (shareholders) requesting to convene the Extraordinary General Meeting of shareholders does not hold the required quantity of voting shares of the Company as stipulated in these Articles of Association;

- none of the issues proposed for the agenda of the Extraordinary General Meeting of Shareholders are within its competence;

- the issue proposed for the agenda of the Extraordinary General Meeting of shareholders does not comply with the provisions of the Federal Law «On Joint Stock Companies» or other statutes of the Russian Federation.

18.6 The decision of the Board of Directors to convene the Extraordinary General Meeting of shareholders or a motivated refusal to convene the Extraordinary General Meeting of Shareholders shall be advised to the persons requesting to convene the Extraordinary General Meeting of shareholders not later than three days from the date of adoption of such a decision.

18.7 If during the established time the Board of Directors fails to make the decision to convene the Extraordinary General Meeting of Shareholders or the decision is made to refuse to convene the Extraordinary General Meeting of shareholders, the body of the Company or the persons requesting to convene the Extraordinary General Meeting of Shareholders may apply to a court to force the Company to hold an extraordinary general meeting of shareholders.

### **Article 19. The Board of Directors of the Company**

19.1 The Board of Directors of the Company shall carry out the overall management of the Company business except the issues falling within the competence of the General Meeting of shareholders.

19.2 The competence of the Board of Directors of the Company shall cover the issues of overall management of the Company business except issues falling within the competence of the General Meeting of the Shareholders.

The following issues shall fall within the competence of the Board of Directors of the Company:

- 1) setting the priorities of the Company activities;
- 2) calling the Annual and Extraordinary General Meetings of Shareholders except for cases provided for by paragraph 18.7 of Article 18 of these Articles of Association;
- 3) approval of the agenda of the General Meetings of Shareholders;
- 4) determining the date of completing the list of persons entitled to attend the General Meeting of Shareholders and resolving other issues within the competence of the Board of Directors of the Company in relation to the preparation and conducting of the General Meeting of Shareholders;
- 5) increasing the Company's authorized capital by placing additional shares within the number of authorized shares;
- 6) placement by the Company of bonds and other issuable securities, and filing an application for the listing of the Company's shares and (or) issuable securities of the Company convertible into shares of the Company;
- 7) assessment of the value (pecuniary valuation) of assets, cost of placement and redemption of issuable securities;
- 8) redemption of shares, debentures and other securities placed by the Company in cases provided by the Federal Law "On Joint Stock Companies";
- 9) election of the General Director of the Company and early termination of his/her term of office;

10) determination of the numerical composition and the term of office of the Executive Board members;

11) determination of the amounts of remunerations and compensations payable to the General Director and to Members of the Executive Board of the Company, approval of terms and conditions of labor agreements concluded with them;

12) appointment of the members of the Executive Board and approval of candidates for the positions of deputies of the General Director under General Director's recommendation and early termination of their term of office;

13) recommendations on the amounts of remuneration and compensations payable to the members of the Audit Commission and of the Board of Directors, and determining of the amount of fees payable to the Company Statutory Auditor;

14) recommendations on the amount of dividends on shares and the order of payment thereof;

15) use of the reserve and other funds of the Company;

16) approval of the internal documents of the Company regulating the operations of the Board of Directors and commissions of the Board of Directors of the Company, except for the Provisions on Board of Directors of the Company as well as the general policy of risk management and internal control of the Company, defining the principles and approaches to organizing the system of risk management and internal control in the Company;

17) setting up branch offices, opening of Company's representative offices and termination of operations thereof;

18) making amendments to the Company's Articles of Association in relation to setting up of branches and opening of representative offices of the Company and liquidation thereof;

19) adopting resolutions in relation to the Company's participation and termination of participation in subsidiary companies as well as in any other organizations, except for cases specified in subparagraph 18 of paragraph 1 of Article 48 of the Federal Law "On Joint Stock Companies";

20) approval of major transactions (including loans, credits, pledges, guaranties) or several interconnected transactions involving assets the value of which amounts to 25 (twenty-five) to 50 (fifty) percent of the balance sheet value of the Company's assets as assessed using the Company's financial statements at the latest reporting date in the order provided in Article 79 of the Federal Law "On Joint Stock Companies";

21) approval of transactions provided in Chapter XI of the Federal Law "On Joint Stock Companies";

22) approval of a transaction or several interconnected transactions (including loans, credits, pledges, guaranties), other than transactions carried out in the course of the Company's regular business operations, in connection with a purchase, alienation or possible alienation by the Company directly or indirectly of assets the total value of which exceeds 100,000,000 (one hundred million) US dollars (or equivalent of the said

amount) at the date of the decision on the approval of the relevant transaction and is less than 25 (twenty-five) percent of the balance sheet value of the Company's assets assessed according to the Company's financial statements at the latest reporting date, as well as approval of transactions for sale and purchase of aircraft, financial lease (leasing) of aircraft, long term leasing of aircraft (above 1 year), aircraft mortgage as a security for financing and refinancing of credits, except for cases when such transactions are approved in the order established for approval of major transactions or transactions involving specific interests;

23) determining the position of the Company and its representatives during consideration by governing bodies of its subsidiaries of an acquisition of shares (participatory interests) in other business entities, including at their establishment, if the transaction price is equal to or greater than 15 percent of the book value of the assets of the subsidiary determined from its financial statements as at the latest reporting date;

24) determining the position of the Company and its representatives during the consideration by the management bodies of subsidiaries of approval of a transaction or a series of related transactions of subsidiary companies (including loan, credit, mortgage, guarantee), except for transactions made in the course of their ordinary business activities related to the acquisition, alienation or possible alienation by a subsidiary, directly or indirectly, of assets, the cost of which exceeds 100,000,000 (one hundred million) US dollars (or its equivalent) as of the date of the decision on the approval of the relevant transaction

25) approval of the appointment of the Specialized Registrar of the Company and the terms and conditions of the contract therewith and termination of the contract with it;

26) approval of the plan of production, commercial, financial and economic activity, budget, including funding the capital investments of the Company;

27) approval of the organizational structure of the Company;

28) taking decisions on alienation by the Company of treasury shares and quasi-treasury shares

29) other matters provided by the Federal Law "On Joint Stock Companies" and these Articles of Association.

Issues within the competence of the Board of Directors of the Company shall not be delegated for resolution to executive bodies of the Company.

19.3 The members of the Board of Directors of the Company shall be elected by the General Meeting of Shareholders in the order provided by the Federal Law «On Joint Stock Companies» and by the Articles of Association of the Company for the term until the next Annual General Meeting of Shareholders in the quantity of 11 (eleven) persons.

If the Annual General Meeting of shareholders was not conducted within the time limits stipulated in paragraph 16.1 of Article 16 hereof the powers of the Board of Directors of the Company shall expire with the exception of powers related to the preparation, convening and conducting the Annual General Meeting of shareholders.



Persons elected to the Board of Directors of the Company can be reelected any number of times without limitation.

Only a natural person can be a member of the Board of Directors of the Company. A member of the Board of Directors may not be a shareholder of the Company.

19.4 Elections of the members of the Board of Directors are carried out by a cumulative vote. The cumulative vote means that the number of votes belonging to each shareholder is multiplied by the number of persons nominated for election to the Board of Directors, and a shareholder shall have the right to cast the resultant number of votes thus belonging to him/her/it for one nominee or distribute them among two or more nominees.

The nominees who received the largest number of votes shall be deemed elected to the Board of Directors of the Company.

19.5. The number of the members of the Executive Board shall not be more than a quarter of the total number of members of the Board of Directors and none of the members of the Executive Board can be the Chairman of the Board of Directors of the Company.

The requirements to the persons elected to the Board of Directors of the Company may be determined by the Provisions on the Board of Directors of PJSC "Aeroflot".

19.6 The Board of Directors shall elect the Chairman of the Board of Directors from among its members by a majority vote of the total number thereof.

The Board of Directors of the Company shall have the right to reelect its Chairman at any time by a majority of votes of the total number of the members of the Board of Directors of the Company.

The Chairman of the Board of Directors of the Company shall organize its activity call meetings of the Board of Directors of the Company and preside at the meetings of the Board of Directors, arrange the taking of minutes of the meetings and preside at the General Meetings of the Shareholders.

In the absence of the Chairman of the Board of Directors of the Company his/her functions shall be carried out by one of the members of the Board of Directors of the Company by the decision of the Board of Directors of the Company.

19.7 By the decision of the General Meeting of Shareholders the members of the Board of Directors of the Company during their term may be paid a remuneration and (or) compensations for expenses connected with the discharge of their duties of members of the Board of Directors.

19.8 The Board of Directors, by the majority of votes of its members, shall appoint the Executive Secretary who shall be responsible for arrangements for and dispatch of business of the meetings of the Board of Directors, administration of affairs of the General Meetings of Shareholders and of the meetings of the Board of Directors, for the taking of the minutes of the General Meetings of Shareholders and minutes of the meetings of the Board of Directors of the Company as well as for signing and providing extracts from the said minutes.

The General Director on behalf of the Company shall conclude a labor agreement with the Executive Secretary the terms and conditions of which are subject to the approval by the Board of Directors of the Company.

The Administration of the Board of Directors headed by the Executive Secretary of the Board of Directors shall be responsible for the management of affairs of the Board of Directors. The Board of Directors shall approve the numerical composition of the Administration of the Board of Directors and the amount of remunerations payable to employees thereof.

Financing of the Board of Directors Administration and any events carried out by the Board of Directors shall be provided from the funds of the Company.

#### **Article 20. Meetings of the Board of Directors of the Company**

20.1. Meetings of the Board of Directors shall be called as necessary, but at least once a month. The meetings of the Board of Directors shall be called by the Chairman of the Board of Directors of the Company at its own initiative, following a request by any member of the Board of Directors, of the Audit Commission or the Statutory Auditor, an executive body of the Company and of shareholders possessing at least 10 (ten) percent of the voting shares of the Company.

20.2. A notice of a meeting of the Board of Directors of the Company together with the agenda and materials for all items on the agenda shall be given to the members of the Board of Directors of the Company not later than 10 (ten) days prior to the date of the meeting, and in exceptional cases, as well as in the case provided for in paragraph 18.5. of article 18 of these Articles of Association, not later than 4 days prior to the meeting.

Materials pertaining to the Board of Directors meetings' agenda issues that contain commercial or business secrets, any other confidential information shall be considered by the Board of Directors Members directly at the meetings of the Board. For that end the Members of the Board (or their formally authorized representatives) are provided an opportunity to preliminarily familiarize themselves with such materials in the Administration of the Board of Directors.

20.3 The Board of Directors may adopt decisions by absentee voting.

20.4 The quorum for meeting of the Board of Directors of the Company shall be deemed present if it is attended by at least half of the total number of the elected members of the Board of Directors of the Company.

A written opinion of a member of the Board of Directors who failed to attend the meeting shall be taken into account when assessing the presence of quorum and counting vote returns on the agenda items.

In case the number of the members of the Board of Directors of the Company becomes less than the quantity of the quorum required as provided above the Board of Directors of the Company shall be required to call an Extraordinary General Meeting of Shareholders to elect new members to the Board of Directors. The remaining members of the Board of Directors of the Company shall be authorized to make decisions only in relation to the convening of the said Extraordinary General Meeting of Shareholders.

20.5. Decisions at the meetings of the Board of Directors of the Company shall be made by the majority of votes of the members of the Board of Directors in attendance at the meeting unless otherwise provided by the Federal Law "On Joint Stock Companies" or these Articles of Association.

Decision on issues provided for by subparagraphs 3, 9, 14 of paragraph 19.2 of article 19 hereof shall be made by a simple majority of votes of the total number of members of the Board of Directors.

Decisions on approval of the transactions referred to in subparagraph 20 of Article 19 hereof shall be adopted by all members of the Board of Directors unanimously, the votes of the exiting members of the Board being disregarded. If no unanimous accord of the Board of Directors of the Company is achieved on the issue of approval of such a transaction, following a decision of the Board of Directors of the Company the issue of approval of such a transaction may be proposed for resolution by the General Meeting of shareholders. In this case the resolution on approval of such a transaction shall be adopted by the General Meeting of shareholders by the majority of votes of shareholders – holders of voting shares participating in the General Meeting of shareholders.

Decisions on the approval of a transaction in relation of which there are any interested parties shall be adopted by the majority of votes of independent directors who have no interest in the proposed transaction. Should all the members of the Board of Directors be deemed to be interested parties and / or not independent directors the transaction may be approved by decision of the General Meeting of Shareholders adopted in the order provided in paragraph 4 of Article 83 of the Federal Law "On Joint Stock Companies".

In resolving issues of the agenda of the Board of Directors of the Company every member of the Board of Directors of the Company shall have one vote.

No transfer of the voting right by any member of the Board of Directors of the Company to another person including another member of the Board of Directors of the Company shall be allowed.

In making the decision in case of a tie vote of the members of the Board of Directors of the Company the vote of the Chairman of the Board of Directors of the Company shall be the casting vote.

20.6. Minutes are taken at the meetings of the Board of Directors of Directors.

The minutes of a meeting of the Board of Directors shall be completed not later than 3 (three) days following the Meeting and upon its signing a copy thereof shall be delivered to every member of the Board of Directors.

The minutes of the meeting shall contain: the venue and time of the meeting; the attendance list; the agenda of the meeting; the issues put to vote and the vote returns on each issue and the resolutions adopted.

The minutes of a meeting of the Board of Directors shall be signed by person chairing the meeting who is responsible for the accuracy of the contents of the minutes.

## **Article 21. Executive Bodies of the Company**

21.1 The management of the current business of the Company shall be carried out by the sole executive body of the Company, i.e. by the General Director, and by the collective executive body of the Company, i.e. by the Executive Board. The Executive Bodies shall be accountable to the Board of Directors and to the General Meeting of Shareholders.

The General Director shall also have the functions of the Chairman of the Executive Board.

The Executive Board of the Company shall be formed and its powers shall be terminated before the term by the decision of the Board of Directors of the Company.

21.2 The General Director shall be elected by the Board of Directors for the term not exceeding 5 years.

The Board of Directors shall have the authority to early terminate the powers of the General Director having fulfilled the terms and conditions of the labor agreement with him/her.

Under the decision of the General Meeting of Shareholders the powers of the General Director may be delegated under a contract to a commercial organization (managing organization) or to an individual entrepreneur (manager). The decision about the delegation of the General Director's powers to a managing organization or to a manager shall be made by the General Meeting of Shareholders only under the proposal of the Board of Directors of the Company.

21.3 The competence of the executive bodies of the Company shall include all issues related to the running of current activities of the Company other than the issues within the competence of the General Meeting of Shareholders or the Board of Directors of the Company.

The executive bodies of the Company shall be responsible to ensure the execution of the decisions adopted by the General Meeting of Shareholders and by the Board of Directors of the Company.

21.4 The Executive Board shall act pursuant to the Articles of Association and the Provisions on the Executive Board as approved by the General Meeting of Shareholders. Within the competence of the Executive Board shall fall the following issues:

- 1) adopting decisions in relation to the issues of the current Company business and economic activities as proposed by the Board of Directors and the General Director, with the exception of matters falling within the competence of the General Meeting of Shareholders or the Board of Directors of the Company. The Executive Board has the right to seek recommendations from the Board of Directors in relation to taking a decision on any matter connected with the Company's activity;

- 2) preparing recommendations for the Board of Directors and the General Director on issues concerning conclusion of transactions referred to in subparagraphs 21 to 23 of paragraph 19.2 of article 19 and by subparagraph 12 of paragraph 21.5 of Article 21 of these Articles of Association;

3) adopting decisions on taking or giving loans, taking credits, guaranties, providing other types of securities both for the liabilities of the Company and for the benefit of third parties if the issues do not fall within the competence of the General Meeting of shareholders or the Board of Directors of the Company;

4) preparing and submitting to the Board of Directors of the Company annual business plans for the Company, annual reports, annual accounting statements including profit and loss statements (profit and loss accounts) and other reporting documents;

5) regular informing the Board of Directors of the Company on the financial status of the Company, implementation of the priority programs, transactions and decisions that may materially affect the state of affairs of the Company;

6) providing for administrative and technical support of the work of the General Meeting of shareholders, the Board of Directors, the Audit Commission of the Company;

7) submitting estimations of cost for arranging and conducting General Meetings of Shareholders of the Company for approval by the Board of Directors of the Company;

8) analyzing and summarizing the results of operation of separate structural departments of the Company and preparing recommendations on improving the operation of both structural departments of the Company and the Company as a whole;

9) approval of internal documents of the Company as proposed by the General Director (except for documents subject to approval by the General Meeting of Shareholders and the Board of Directors of the Company);

10) taking decisions on other issues of financial and business activities of the Company before submitting those issues for review by the Board of Directors.

The quorum for meeting of the Executive Board of the Company shall be at least half of the total number of the elected members of the Executive Board. Decisions of the Executive Board of the Company shall be adopted by a majority vote of the Executive Board of the Company participating in the meeting, unless otherwise provided by the Federal Law "On Joint-Stock Companies" or these Articles of Association. In case of equality of votes when adopting a resolution the vote of the Chairman of the Executive Board shall be decisive.

21.5 The General Director shall act on behalf of the Company without any power of attorney, namely:

1) shall ensure implementation of the General Meeting of Shareholders' and of the Board of Directors' resolutions;

2) shall carry out the day-to-day management of the Company in compliance with the main objectives of the Company;

3) shall approve the staff list;

4) shall dispose of the Company assets to provide for its day-to-day activities within the limits established by the legislation of the Russian Federation and these Articles of Association;

5) shall represent the Company in any agencies, companies and organizations both in the Russian Federation and abroad including foreign countries;

6) shall appoint deputies of the General Director upon approval of relevant nominees by the Board of Directors, assign duties between them, determine their powers and authority;

7) shall conclude labor agreements with the employees of Company, apply incentives and penalties to the staff members;

8) shall issue orders and instructions mandatory for execution by all Company employees;

9) shall represent the Executive Board's positions at general meetings and meetings of the Board of Directors;

10) in the capacity of the Chairman of the Executive Board, shall manage its operation, call meetings and determine the agenda for every meeting;

11) shall submit to the Board of Directors of the Company for approval proposals for personal composition of the Executive Board;

12) shall conclude transactions or several interrelated transactions in relation to the acquisition or alienation or possible alienation by the Company directly or indirectly of assets of the value of up to \$100,000,000 (one hundred million) U.S. dollars (or the equivalent of this amount in any other currency as at the date the decision on approval of such transaction is made) unless this issue falls within the competence of the General Meeting of Shareholders, the Board of Directors or the Executive Board of the Company and shall ensure the discharge of obligations assumed by the Company in relation to such transactions;

13) shall issue powers of attorney on behalf of the Company. The General Director shall not be authorized to delegate his / her powers under any power of attorney in relation to execution of transactions subject to approval by the managing bodies of the Company failing the said approval;

14) shall arrange accounting and accounting (financial) reporting of the Company;

15) shall submit annual reports and other financial statements to relevant agencies;

16) shall arrange publication in mass media of information as required by the Federal Law "On Joint Stock Companies" and by other regulations;

17) shall have the right to delegate some of the General Director' powers to persons carrying out managerial functions in the Company;

18) shall carry out any actions required to accomplish the objectives of Company and ensuring its normal operation in accordance with the applicable legislation of the Russian Federation and these Articles of Association other than the functions assigned by the Federal Law "On Joint Stock Companies" and these Articles of Association to other managing bodies of the Company;

19) shall determine the list of positions to be filled by contest and the procedure of appointment to those positions;

20) shall appoint a person from among the deputies of the General Director to carry out duties of the General Director in case the latter is absent from his/her office due to any reason including vacations, business trips or illness.

21.6 The rights and responsibilities of the General Director of the Company, members of the Executive Board of the Company shall be stipulated by the labor agreements concluded by the Company with each of them.

The labor agreement with the General Director on behalf of the Company shall be signed by the Chairman of the Board of Directors of the Company (or by a person authorized by the Board of Directors of the Company), and with the members of the Executive Board of the Company – by the General Director. The agreements shall be signed for a term not exceeding 5 (five) years.

The relations between the Company and the General Director of the Company and the members of the Executive Board of the Company shall be subject to the Russian Federation labor legislation to the extent it does not run contrary to the provisions of the Federal Law "On Joint Stock Companies".

The General Director of the Company and members of the Executive Board of the Company may hold positions in managing bodies in other organizations only under the consent of the Board of Directors of the Company.

21.7 The Board of Directors of the Company may at any time make a decision about early termination of the term of the General Director, members of the Executive Board of the Company, deputies of the General Director and about formation of new executive bodies.

21.8 Minutes shall be kept at the meetings of the Executive Board of the Company. The minutes of any meeting of the Executive Board of the Company shall be made available to the members of the Board of Directors of the Company, the Audit Commission of the Company, the Executive Board, the Statutory Auditor of the Company upon their request.

The meetings of the Executive Board of the Company shall be arranged by the General Director of the Company who signs all documents on behalf of the Company and minutes of the meetings of the Executive Board of the Company, acts on behalf of the Company without a power of attorney in accordance with the decisions of the Executive Board of the Company adopted within its competence.

Transfer of the right to vote by a member of the Executive Board of the Company to another person including other members of the Executive Board of the Company shall be prohibited.

## **Article 22. Liabilities of the Members of the Board of Directors, the General Director, the Members of the Executive Board, and Persons Interested in the Execution of a Transaction by the Company**

22.1 Members of the Board of Directors of the Company, the General Director of the Company, members of the Executive Board of the Company as well as the managing organization or the executive manager in implementing their rights and duties

shall act in the best interests of the Company, use their rights and discharge their duties in relation to the Company reasonably and in good faith.

22.2 Members of the Board of Directors of the Company, the General Director of the Company, members of the Executive Board of the Company as well as the managing organization or the manager shall be liable to the Company for any losses caused by their culpable actions (inaction).

Members of the Board of Directors of the Company and the Executive Board of the Company who did not take part in the vote or voted against the decision that caused the damages to the Company shall not be liable.

22.3 When assessing the grounds and the extent of the liability of the members of the Board of Directors of the Company, the General Director, and members of the Executive Board, normal business practices and other circumstances affecting the business shall be taken into account.

22.4 If pursuant to the provisions of this Article several persons are held liable they shall bear joint liability to the Company.

Representatives of the government or a municipal unit in the Board of Directors shall bear the same liability as provided in this Article for other members of the Board of Directors.

22.5 Any transaction involving interested persons shall be made in accordance with the requirements and the order provided by the Federal Law "On Joint Stock Companies". The persons deemed to be interested in entering into such transaction shall have no right to receive directly or indirectly any remuneration for exerting influence on the decision making by the Board of Directors, the General Director, the Executive Board of the Company in the process of reviewing a transaction they are interested in.

22.6. Members of the Board of Directors of the Company and persons holding positions in the managing bodies of the Company during their term of office in this capacity shall have no right to establish or participate in enterprises competing with the Company.

22.7 The General Director of the Company shall be liable for organizing the work and creating conditions in the Company required to protect the information, which is a state secret, and for any violation of access limitations imposed by the legislation concerning familiarization with information constituting a state secret.

Members of the Board of Directors of the Company must prevent any public disclosure of the commercial and business information, other confidential information found in the materials on the issues in the agenda of meetings of the Board of Director of the Company before a relevant decision in relation thereof is adopted. Members of the Board of Directors of the Company shall ensure that all and any measures to prevent potential public disclosure of the said information by their subordinates having access to the materials related to the agenda of meetings of the Board of Director of the Company have been taken.



### **Article 23. Supervision over Financial and Economic Activity of the Company**

23.1 To supervise financial and business activities of the Company the General Meeting of the shareholders in compliance with these Articles of Association shall elect the Audit Commission of the Company composed of 5 (five) members until the next annual meeting of shareholders.

23.2 The competence and the proceedings of the Audit Commission of the Company shall be described in the Provisions on the Audit Commission of OJSC «Aeroflot» that is subject to approval of the General Meeting of Shareholders.

23.3 The auditing of financial and business activities of the Company shall be carried out for the results of the Company's activity for each year, as well as at any time by an initiative of the Audit Commission, by the decision of the General Meeting of Shareholders, the Board of Directors of the Company or at the request of a shareholder (shareholders) possessing in aggregate no less than 10 (ten) percent of voting shares of the Company.

23.4 Under the request of the Audit Commission of the Company persons holding positions in the managing bodies of the Company must submit documentation on financial and business activities of the Company.

23.5 The Audit Commission of the Company shall have the right to make a request to convene an Extraordinary General Meeting of shareholders.

23.6 Members of the Audit Commission of the Company cannot be at the same time members of the Board of Directors of the Company or hold other positions in the managing bodies of the Company.

23.7 Shares in possession of the members of the Board of Directors of the Company or of persons who hold positions in the managing bodies of the Company shall have no vote right at the elections of members to the Audit Commission of the Company.

23.8 The Audit Commission of the Company shall issue a report on the results of the audit of financial and business activities of the Company, that shall contain:

- assurance of the data contained in the reports and other financial documents of the Company;
- information on violations of the procedures of the book-keeping and submission of the accounting reports procedures imposed by the legislation and other legal acts of the Russian Federation in the financial and business activity area.

23.9 The Statutory Auditor of the Company shall carry out the auditing of the financial and business activities of the Company pursuant to the legislation of the Russian Federation under a contract signed with the Company.

23.10 The General Meeting of Shareholders shall approve the appointment of the Statutory Auditor. The amount of the Auditor's fee shall be determined by the Board of Directors of the Company.

## **Article 24. Bookkeeping and Financial Reporting of the Company**

24.1 The Company must keep accounting and submit financial statements in the order established by the Federal Law "On Joint Stock Companies" and by other regulations of the Russian Federation.

24.2 The responsibility for organization, condition and credibility of the Company accounting, timely submission of the annual report and other financial statements to the relevant agencies, as well as of information about Company activities to be disclosed to shareholders, creditors and mass media shall be laid upon the General Director of the Company.

24.3 Credibility of the information contained in the annual report of the Company, the annual accounting statements shall be confirmed by the Audit Commission of the Company.

24.4 Prior to publishing by the Company of the documents stipulated in this paragraph the Company must invite an Auditor who has no proprietary interests in the Company or shareholders thereof to carry out annual auditing and confirmation of the annual financial statements of the Company.

24.5. The annual report of the Company shall be subject to the preliminary approval by the Board of Directors of the Company not later than 30 (thirty) days before the date of the Annual General Meeting of shareholders.

## **Article 25. Company Documents Custody and Information Disclosure**

25.1 The Company must keep the following documents:

- the Articles of Association of the Company, amendments and changes to the Articles registered in due order, the Decision on the Establishment of the Company, the Company's State Registration Certificate;
- documents certifying the Company's title to the property it has on its balance;
- internal documents of the Company;
- regulations on a branch and a representative office of the Company;
- annual reports;
- accounting documents;
- financial statements
- minutes of the General Meetings of Shareholders, of the Board of Directors, the Audit Commission, the Executive Board;
- voting ballots and proxy cards (copies of proxy cards) for participation in the General Meeting of Shareholders;
- reports of independent evaluators;
- lists of affiliates of the Company;
- lists of persons entitled to attend the General Meeting of shareholders, to receive dividends and other lists composed by the Company to ensure realization

by shareholders of their rights in compliance with the Federal Law "On Joint Stock Companies";

- reports of the Audit Commission, the Statutory Auditor of the Company, statements of State and of municipal bodies of financial supervision;

- prospectus for securities, quarterly reports of the issuer and other documents containing the information to be published or disclosed by other means in compliance with the Federal Law "On Joint Stock Companies" and other Federal laws;

- other documents provided for by the Federal Law "On Joint Stock Companies", by the Articles of Association of the Company, internal documents of the Company, resolutions of the General Meeting of Shareholders, the Board of Directors of the Company, managing bodies of the Company and documents provided for in the legislation of the Russian Federation.

25.2. The Company shall keep the documents specified in paragraph 25.1 hereof at the location of its executive body in the manner and during the period established by the Bank of Russia.

25.3. The Company must ensure access for the shareholders to the documents specified in paragraph 25.1. of these Articles of Association.

The right of access to the accounting documents and minutes of the meetings of the Executive Board shall be granted to shareholders (a shareholder) possessing at least 25 (twenty five) percents of voting shares of the Company.

25.4. Documents indicated in paragraph 25.1 of these Articles of Association are to be provided by the Company within seven days from the date of submission of the relevant request for familiarization with such documents in the office of the executive body of the Company. Under the request of any person entitled to the access to the documents specified in paragraph 25.1 of these Articles of Association, the Company shall provide copies thereof.

The payment for providing the copies charged by the Company shall not exceed the cost of production thereof.

25.5. The Company must disclose:

- the annual report of the Company and annual financial statements;
- prospectus for securities in cases provided for by legislative acts of the Russian Federation;
- a notice of the General Meeting of Shareholders in the manner provided by the Federal Law "On Joint-Stock Companies";
- other information as determined by the Bank of Russia.

Mandatory disclosure of information by the Company in the event of a public placement of bonds or other securities shall be made to the extent and in the manner established by the Bank of Russia.

## **Article 26. Reorganization and Liquidation of the Company**

26.1 The Company may be reorganized voluntarily in the order provided by the Federal Law "On Joint Stock Companies".

Other reasons and the procedure of reorganization of the Company are provided in the Civil Code of the Russian Federation and by other Federal laws.

26.2 The reorganization of the Company may be effected in the form of a merger, consolidation, split-up, spin-off and transformation. Also, there may be reorganization simultaneously combined with the above forms.

The formation of assets of Companies created as a result of reorganization shall be carried out only from the assets of the companies being reorganized.

26.3 The Company shall be deemed reorganized, except for the cases of reorganization in the form of consolidation, from the moment of the State registration of the newly created legal entities.

In the event of reorganization of the Company by way of consolidation with another company the former shall be deemed reorganized from the date of entering into the Unified State Register of Legal Entities of a record about termination of the activity of the company consolidated.

26.4 The Company may be liquidated voluntarily in the order established by the Civil Code of the Russian Federation subject to the requirements of the Federal Law «On Joint Stock Companies» and these Articles of Association. The Company may be liquidated by a court decision on the grounds provided in the Civil Code of the Russian Federation.

The liquidation of the Company shall result in its termination without a transfer of its rights and liabilities to other persons in the order of succession.

26.5 The liquidation of the Company shall be deemed completed and the Company ceases to exist from the moment a relevant entry is made in the Unified State Register of Legal Entities by the State registration agency.

26.6 In case of reorganization of the Company all documents (administrative, financial, economic, personnel records, etc.) shall be transferred to the successor company in accordance with applicable rules and regulations.

Should there be no successor the documents of permanent storage that have scientific or historic value shall be transferred for storage to the relevant State archives.

Records relating to personnel (orders, personal records and cards, personal accounts records, etc.) shall be transferred for storage to the archives of the administrative district in the territory of which the Company is located. The transfer of the records and putting them in order shall be made by and at the expense of the Company according to the requirements applicable to archive documents.

26.7 During reorganization, winding-up of the Company or ceasing the work with the use of information constituting a state secret the Company shall take measures to ensure protection of such information and the media thereof. The media with information constituting a state secret shall be in due course destroyed, transferred to the archives for retention or transferred to:

- the successor of the Company if the successor is authorized to carry out work using the aforesaid information;

- an appropriate government body.

## **Article 27. Final Provisions**

27.1 Changes and amendments to the Articles of Association of the Company as well as any new revisions thereof shall be subject to the State registration under the procedure established by the legislation of the Russian Federation.

27.2 Changes and amendments to the Articles of Association of the Company as well as any new revisions thereof shall come into force for third parties from the time of their registration by the State, and in cases provided by the Russian Federation legislation - from the time the agency responsible for the State registration is formally notified accordingly.