

APPROVED

by the Annual General Meeting of
Shareholders of Public Joint Stock
Company "Aeroflot" of June 27, 2016
Minutes No.[38] dated June 30, 2016

REGULATIONS
ON THE EXECUTIVE BOARD OF PUBLIC JOINT STOCK
COMPANY "AEROFLOT - RUSSIAN AIRLINES"
(Revision 4)

Moscow, 2016

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1. GENERAL PROVISIONS

1.1. The Executive Board of Public Joint Stock Company "Aeroflot - Russian Airlines" (the "Company"), pursuant to the Company's Articles of Association, is a collegiate executive body of the Company.

1.2. The main tasks of the Executive Board are to ensure that the objectives set forth in the Company's Articles of Association are delivered in practice and to organize the management of the day-to-day activities of the Company in accordance with the Company's Articles of Association and these Regulations;

1.3. In its activities, the Executive Board shall be governed by the Civil Code of the Russian Federation, the Air Code of the Russian Federation, Federal Law "On Joint Stock Companies" No. 208-FZ dated December 26, 1995 (hereinafter referred to as the Federal Law "On Joint Stock Companies") and other laws and regulations of the Russian Federation, the Company's Articles of Association, resolutions of the General Meetings of Shareholders and the Board of Directors of the Company, these Regulations and other internal documents of the Company.

2. COMPETENCE OF THE EXECUTIVE BOARD

2.1. The Company's Executive Board shall manage the Company's day-to-day activities on matters placed within its competence by the Articles of Association, other than matters falling within the competence of the General Meeting of Shareholders, the Board of Directors and the General Director of the Company.

2.2. The Executive Board shall be accountable to the General Meeting of Shareholders and to the Board of Directors of the Company and shall organize implementation of their resolutions.

2.3. The following matters shall fall within the competence of the Executive Board:

1) taking decisions on the General Director's proposals on matters relating to current business operations of the Company, except for matters that fall within the competence of the General Meeting of Shareholders or the Board of Directors. The Executive Board may seek advice from the Board of Directors when making decisions on any matters related to the Company's activities;

2) preparing recommendations for the Board of Directors and the General Director of the Company for entering into transactions specified in Article 19, paragraph 19.2, subparagraphs 19 to 21 and Article 21, paragraph 21.5, subparagraph 12 of the Company's Articles of Association;

3) deciding on taking and granting loans, obtaining credits, guarantees, providing other types of security both for the Company's obligations and in favor of third parties, unless this falls 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 annual work plans and annual reports of the Company;

5) regularly updating the Company's Board of Directors on the financial position of the Company, implementation of priority programs, transactions and decisions that may have a material impact on the Company's state of affairs;

6) providing organizational and technical support for the activity of the General Meeting of Shareholders, the Board of Directors, the Audit Commission of the Company;

7) submitting draft estimates of expenditures for preparing and holding the Company's General Meetings of Shareholders for review and approval by the Company's Board of Directors;

8) analyzing and summarizing the performance of certain structural divisions of the Company and preparing recommendations on improving the performance of both the Company's structural divisions and the Company as a whole;

9) approving internal documents of the Company proposed by the General Director (other than documents requiring approval by the General Meeting of Shareholders or the Board of Directors of the Company);

10) making decisions on the establishment of branches and representative offices of the Company and termination of their activities.

11) making decisions on other matters, as proposed by the General Director, related to financial and economic activities of the Company before submitting them for review by the Company's Board of Directors.

2.4. The Executive Board may set up permanent or ad hoc Committees to consider issues related to specific areas of the Company's business.

Decisions of such Committees shall have an advisory nature and may acquire the status of internal documents of the Company if approved by the Executive Board.

3. ORGANIZATION OF THE EXECUTIVE BOARD'S ACTIVITIES

3.1. The numerical and personal composition of the Executive Board shall be approved by the Board of Directors at the General Director's proposal.

3.2. Early termination of the powers of any member of the Executive Board and determination of remuneration and compensations payable to members of the Executive Board shall fall within the competence of the Company's Board of Directors.

3.3. The General Director of the Company shall be the Chairman of the Executive Board, who shall organize and manage its activities. In his/her absence, the Executive Board meetings shall be conducted by a person substituting for the General Director. Organizational and technical support for activities of the Executive Board shall be provided by the structural division of the Company responsible for providing organizational, technical and documentation support for the Executive Board meetings (Company's General Affairs Department) and Secretary General of the Executive Board appointed by the General Director in accordance with the current staff schedule of the Company.

3.4. The Secretary General of the Executive Board shall:

1) give notice to the Executive Board members of the forthcoming meeting and deliver to them materials related to the agenda items;

- 2) be responsible for organizational and technical preparations for the Executive Board meetings;
- 3) count votes (tally vote results) cast on the items of the agenda of the Executive Board meeting;
- 4) keep minutes of the meetings, prepare extracts from the minutes.

3.5. The rights and duties of the Executive Board members are specified in the employment contract concluded by the Company with each member of the Executive Board. Contracts with members of the Executive Board shall be signed on behalf of the Company by the Company's General Director. The contract may be terminated early by resolution of the Board of Directors as provided in the Company's Articles of Association, Regulations on the Board of Directors and in the contract.

3.6. The labor legislation of the Russian Federation shall apply to the relations between the Company and members of the Executive Board to the extent it does not conflict with the provisions of the Federal Law "On Joint Stock Companies".

3.7. Executive Board meetings shall be held as may be necessary. Executive Board meetings shall be called by the Board of Directors, the Chairman of the Executive Board or the Audit Commission of the Company. In exceptional cases, in order to promptly solve the tasks faced by the Company, Executive Board meetings may be held in absentia by polling Executive Board members.

3.8. The agenda of Executive Board meetings shall be prepared by the Chairman of the Executive Board on the basis of recommendations (resolutions) of the Board of Directors, proposals of members of the Board of Directors, the Audit Commission and members of the Executive Board of the Company.

3.9. Notices of the date and agenda of Executive Board meetings shall be sent to each member of the Executive Board by the Secretary General of the Executive Board at least 5 days before the meeting.

The presence of members of the Executive Board at its meetings shall be obligatory. A member of the Executive Board may not delegate his/her right to vote to another person, including another member of the Executive Board. In case any Executive Board member is absent from a meeting of the Executive Board for a valid reason (illness, business trip, etc.) he/she may submit to the Executive Board his/her opinion with proposals on the proposed resolutions on the agenda items in writing. Written opinions of any Executive Board member absent from an Executive Board meeting shall be taken into account in determining the quorum and results of voting on the agenda items.

Executive Board members who cannot attend an Executive Board meeting in person shall be entitled to participate in the meeting by phone or a video conference call. Participation in a meeting by phone or a video conference shall be deemed equivalent to personal attendance.

Every member of the Executive Board, with the approval of the Executive Board Chairman, shall be entitled to invite specialists or experts (without voting right) to meetings of the Executive Board, except for closed-door meetings.

3.10. An Executive Board meeting shall be deemed qualified if at least one half of the appointed Executive Board members are present at the meeting.

3.11. Executive Board members shall have equal rights during the discussions of issues reviewed at a meeting. Every member of the Executive Board shall have one vote. Resolutions of the Executive Board shall be adopted by a majority vote of the members of the Executive Board present at the meeting and shall be recorded in the minutes. The minutes of the Executive Board meetings shall be signed by the Chairman, who is responsible for the correct completion of the minutes, and by the Secretary General of the Executive Board. In the event of a tie, the Chairman of the Executive Board shall have a casting vote.

3.12. Resolutions of the Executive Board shall be binding upon the Executive Board members and other employees of the Company. Resolutions that have vital importance for the Company shall be issued as orders or directives of the Company's General Director. Executive Board resolutions including those adopted by absentee voting shall be communicated to the respective responsible persons in the form of extracts from the minutes of the Executive Board meetings.

3.13. In case of disagreement with an adopted resolution, any member of the Executive Board shall be entitled to record a special opinion in writing, which must be attached to the minutes of the Executive Board meeting.

3.14. Minutes of Executive Board meetings shall be submitted to the members of the Board of Directors, the Audit Commission, the Executive Board and the Auditor of the Company upon request.

4. RIGHTS, DUTIES AND RESPONSIBILITY OF EXECUTIVE BOARD MEMBERS

4.1. The Chairman of the Executive Board shall be an official and authorized representative of the Company's Executive Board in any state agencies, public and other organizations. During his/her absence the Chairman of the Executive Board shall delegate his/her powers to a person substituting for the General Director.

4.2. The Executive Board members shall participate in Executive Board meetings with the right to vote on all the matters falling within the competence of the Executive Board. In additions, while discharging their duties, the Executive Board members shall have the following rights:

1) to require that his/her written opinion be attached to the minutes of a meeting of the Executive Board;

2) to request and receive from structural divisions of the Company documents and information on the Company's activities related to matters falling within the competence of the Executive Board;

4.3. Members of the Executive Board must:

1) carry out resolutions adopted by the General Meetings of Shareholders, the Board of Directors, and the Executive Board of the Company;

2) ensure confidentiality of information that becomes available to the Executive Board member in the course of his/her duties;

3) not make use of insider information in his/her private interests, not pass insider information to third persons, not enter into transactions with the use of insider information;

4) review contents of internal documents of the Company in a timely manner and comply with the requirements thereof.

Other rights and duties of a member of the Executive Board are specified in the Federal Law "On Joint Stock Companies", other laws and regulations of the Russian Federation, the Company's Articles of Association and these Regulations. Members of the Executive Board are entitled to act on behalf of the Executive Board only subject to a special assignment of the Executive Board or its Chairman recorded in the minutes of the relevant Executive Board meeting.

4.4. The authority to represent the Company or the Executive Board shall be granted to Executive Board members through a power of attorney issued by the General Director.

4.5. Every member of the Executive Board shall have all the rights provided for by these Regulations and the employment contract concluded with the member by the General Director on behalf of the Company.

4.6. When exercising their rights and performing their duties, members of the Executive Board shall act in the Company's best interest, exercise their rights and perform their duties in respect of the Company honestly and reasonably.

4.7. Members of the Executive Board shall be liable to the Company for any losses suffered by the Company through their wrongful acts (inaction) as set forth in the legislation of the Russian Federation.

4.8. A member of the Executive Board shall be liable to the Company to the full extent of the losses inflicted upon the Company as a result of a transaction, if such member is an interested party to the transaction, as defined in the legislation of the Russian Federation and the Company's Articles of Association, and has failed to comply with the requirements governing the procedure for approving such transactions.

4.9. The Company shall insure the professional liability of the Executive Board members.

4.10. Conditions of employment and remuneration payable to the Executive Board members, including fringe benefits and social guarantees, shall be determined in accordance with their respective positions, the laws and regulations of the Russian Federation and internal documents of the Company regulating employee compensation, the type and amount of fringe benefits and social guarantees for the Company's employees and by the Company's staff schedule and fixed in the employment contract concluded by the members of the Executive Board with the Company. The amount of remuneration and compensations to the members of the Executive Board shall be determined by the Company's Board of Directors.

4.11. Members of the Executive Board shall not be entitled to fringe benefits or privileges unless otherwise provided for in a resolution of the Company's Board of Directors.

4.12. Any Executive Board members who have an interest in a transaction to be concluded by the Company must communicate the following information to the Board of Directors, the Audit Commission (the Auditor) of the Company and the Company's Auditor:

- legal entities in which they hold 20 or more percent of the voting shares (interests, units), whether personally or jointly with their affiliated person(s);
- legal entities in which they hold positions in the governing bodies;

- current or proposed transactions known to them in which they may be deemed to have an interest.

4.13. Interested party transactions shall be carried out pursuant to the requirements and in the manner determined by the Federal Law "On Joint Stock Companies" and the Company's Articles of Association.

5. PROCEDURE FOR PREPARING AND HOLDING EXECUTIVE BOARD MEETINGS

5.1. Members of the Executive Board tasked with preparing a certain agenda item for consideration by the Executive Board at its meeting shall prepare informational (reference) materials. If the resolution on an agenda item may or will apparently have financial, organizational, technical, personnel-related, social or other material consequences, a member of the Executive Board shall submit a draft resolution on such item, a feasibility study and an expert opinion agreed with the appropriate structural divisions of the Company.

The aforesaid materials (feasibility study, opinion) and draft resolution shall be submitted to the Secretary General of the Executive Board for processing and distribution to all Executive Board members at least 5 days before the date of the Executive Board meeting. The responsibility for controlling preparation of materials and draft resolutions for consideration at Executive Board meetings shall rest with the Secretary General of the Executive Board.

5.2. Materials submitted to the Chairman of the Executive Board at his/her request may be sent for expert examination, submitted for review by Company's experts or returned for improvement, where necessary. Following the revision and consequent approval by the Chairman of the Executive Board the materials submitted for the Executive Board meeting along with the proposed agenda and draft resolution shall be sent to members of the Executive Board by the Secretary General of the Executive Board at least 5 days before the date of the meeting.

5.3. Executive Board meetings shall be presided over by the Chairman of the Executive Board. In case of temporary absence of the Chairman of the Executive Board, meetings shall be presided over by a person substituting for the General Director.

5.4. In the case of an Executive Board meeting held in absentia (by poll), the organization of the poll, completion of the questionnaire form and drawing up of the minutes, which must indicate that the meeting is held in absentia, shall be the responsibility of the Secretary General of the Executive Board.

5.5. The time limits for speakers at Executive Board meetings shall be set by the chairing person as follows: for reports - up to 15 minutes, as a general rule; for co-reports – 10 minutes; for debates – 5 minutes; for questions – 3 minutes.

5.6. Additions or amendments to draft resolutions of the Executive Board submitted earlier, reflecting the proposals and comments made at the meeting shall be made by a member of the Executive Board - speaker at the Executive Board meeting, or/and other officers proposed by the Executive Board or its Chairman. The Secretary General of the Executive Board shall supervise the revision of drafts of the Executive Board resolutions and submission thereof to the Chairman for approval within the established time limits. If the time limits are not specified, the revision of drafts shall be completed within 3 working days.

5.7. Minutes of the Executive Board meetings shall be agreed upon by all Executive Board members and drawn up not later than 3 days after the meeting, signed by the Chairman of the Executive Board and assigned sequential numbers, with the numbering sequence to be restarted at the beginning of each calendar year.

5.8. Signed minutes of the Executive Board meetings shall be affixed with the corporate seal.

5.9. Originals of the minutes of the Executive Board meetings and documents confirming distribution thereof shall be registered and retained in the General Affairs Department of the Company.

5.10. Executive Board resolutions (extracts from minutes of meetings) shall be sent to the Executive Board members within 3 days after the minutes are signed.

5.11. Minutes of the Executive Board meetings shall be treated as confidential information. Persons not listed in paragraph 3.14. of these Regulations shall be provided access to Executive Board minutes and extracts from them in compliance with the applicable legislation of the Russian Federation and as directed by the Chairman of the Executive Board by the Secretary General of the Executive Board.

6. IMPLEMENTATION OF EXECUTIVE BOARD RESOLUTIONS

6.1. Resolutions of the Executive Board shall be binding upon the Executive Board members and employees of the Company.

6.2. The implementation of Executive Board resolutions shall be controlled to ensure unconditional, qualitative, precise and timely execution thereof.

6.3. All Executive Board resolutions requiring action and recorded in Executive Board minutes must be controlled and followed up. The time limits for implementation of Executive Board resolutions shall be set forth therein. If such time limits are not specified in an Executive Board resolution, it shall be implemented within one month, unless the Chairman of the Executive Board has set another time limit. If the deadline falls on a weekend or public holiday, the resolution shall be due for execution on the day preceding the deadline.

7. CONTROL OVER IMPLEMENTATION OF EXECUTIVE BOARD RESOLUTIONS

7.1. Control over the implementation of Executive Board resolutions shall be the responsibility of the Chairman of the Executive Board or an Executive Board member authorized thereby. In-process (as for the time limits) control over the timely implementation of Executive Board resolutions shall be the responsibility of the Secretary General of the Executive Board. Persons responsible for the implementation of assignments must provide information on the status of implementation of Executive Board resolutions within 1 (one) business day of receiving the relevant request from the Secretary General.

7.2. In case the implementation of an Executive Board resolution is not possible in due time for objective reasons, the person responsible for its implementation must in good time (2 (two) business days prior to the deadline set for implementation) submit a request providing a reasoned justification for postponing implementation of the Executive Board resolution. At its meetings, the Executive Board shall regularly review information provided by the Secretary

General of the Executive Board on the status of implementation of Executive Board resolutions adopted at previous meetings.