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Directors

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Corporate Governance Code of PJSC Aeroflot

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1. Introduction

1.1. Public Joint-Stock Company Aeroflot – Russian Airlines (“PJSC Aeroflot”, “Aeroflot”, the “Company”) is Russia’s largest air carrier listed among the entities of strategic importance. It is the parent company of Aeroflot Group (hereinafter Aeroflot Group means PJSC Aeroflot and its controlled entities), a modern airline holding company and one of the leading airline groups in Europe.

1.2. Aeroflot’s shareholders include the Russian government, Russian and foreign legal entities and individuals. It is registered as a public joint-stock company whose securities trade on Russian and foreign equity markets.

1.3. By carrying millions of Russian and foreign passengers and hundreds of thousands tonnes of cargo, Aeroflot supports the welfare of its shareholders, ensures attractive working conditions for its employees and serves the interests of the state and society as a major taxpayer. It also implements a wide range of social programmes, taking care of the environment and public health.

1.4. Aware of the high level of its corporate, public and social responsibility and aiming to improve the sustainability and efficiency of its operations, Aeroflot is committed to complying with the highest standards of corporate governance in line with the best Russian and international practices.

1.5. This Corporate Governance Code (the “Code”) outlines the key principles and approaches underlying Aeroflot's existing corporate governance system, and areas for its improvement.

1.6. Rules and procedures associated with corporate governance are set out in the Articles of Association and the Company’s by-laws available on the Company's corporate website at: <https://www.aeroflot.ru/gb-en>, ir.aeroflot.com.

1.7. This Code was developed in accordance with the Russian laws, G20/OECD¹ Principles of Corporate Governance, OECD Guidelines on Corporate Governance of State-Owned Enterprises, the Corporate Governance Code recommended by the Bank of Russia (the “Russian Corporate Governance Code”), Listing Rules of PJSC Moscow Exchange MICEX-RTS, Aeroflot’s Articles of Association and by-laws.

2. Corporate governance principles

2.1. For the purposes of this Code, corporate governance shall mean a well-balanced framework of relationships among shareholders, members of the Board of Directors, the Company’s executive bodies and other stakeholders, including employees, controlled entities, clients, counterparties, investors, national and regional authorities.

2.2. Aeroflot’s corporate governance system relies on the following key principles:

- Ensuring the exercise and protection of shareholder rights, including:
 - the right to take part in governance of the Company;
 - the right to receive a portion of the Company’s profit in the form of dividends;
 - the right to timely receive accurate information about the Company;

¹ Organisation for Economic Co-operation and Development

- the right to manage the shares freely and without hindrance and use reliable ways of recording rights to shares.
- Equitable and fair treatment of all shareholders exercising their rights.
- Prevention of shareholder actions intended to abuse their rights or cause harm to the Company or other shareholders.
- Effective distribution of competencies and powers among the Company's governance bodies.
- Professionalism, responsibility and accountability of the Board of Directors and executive bodies.
- Setting up of efficient internal control and risk management systems.
- Transparency and availability of information on the Company's operations.
- Ensuring that material corporate actions are made on an arm's length basis and respect the rights and interests of shareholders and other stakeholders.
- Compliance with ethical and social responsibility standards in the course of business.

3. Observance and protection of shareholder rights

3.1. The right to participate in the Company's governance

3.1.1. Aeroflot provides the best possible conditions for shareholders to participate in General Meetings of Shareholders, strictly complying with all applicable Russian laws and following the relevant recommendations provided in the Russian Corporate Governance Code.

3.1.2. The procedure to prepare and hold a General Meeting of Shareholders is regulated by the Company's by-law Regulations on the General Meeting of Shareholders of PJSC Aeroflot, which is available on the Company's corporate website at: <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com.

3.1.3. The agenda of a General Meeting of Shareholders is prepared based on the proposals received from Aeroflot's shareholders; the deadline to make such proposals and nominate candidates to the Board of Directors and the Company's Revision Committee in preparation for the Annual General Meeting of Shareholders has been extended to seventy (70) days following the end of the reporting year.

3.1.4. Aeroflot strives to establish a shareholder-friendly procedure for submitting requests to convene a General Meeting of Shareholders and nominate candidates to the Company's bodies, as well as proposals for the General Meeting of Shareholders' agenda by electronic means that make it possible to identify the sender.

3.1.5. The notice of the General Meeting of Shareholders and the respective materials are posted in Russian and English on the Company's corporate website, which makes them easily accessible for all shareholders (including those from other countries).

3.1.6. In order for the shareholders to form an unbiased opinion on the agenda items of the General Meeting of Shareholders, the materials for the Meeting contain information on who proposed each of the agenda items or nominated candidates to the governance bodies of PJSC Aeroflot.

3.1.7. To improve the quality of resolutions passed by the General Meeting of Shareholders, the Company provides shareholders with the following materials (in addition to those prescribed by the law) when the respective matters are included in the agenda of the General Meeting of Shareholders of Aeroflot:

- information on candidates for the role of the Company's Auditor, including description of their selection procedures and information on the proposed remuneration;
- a report on implementation of Aeroflot Group's Long-Term Development Programme and on achievement of key performance indicators (KPIs);
- in the event of amendments to the Company's Articles of Association and by-laws, tables comparing the proposed amendments with the current wording and the rationale behind such amendments;
- information on the Board of Directors' opinion on the agenda items of the General Meeting of Shareholders;
- market valuation for property booked as a contribution for the Company's additional shares, the Company's property and/or shares if valued by an independent appraiser to enable the decision-making process of the General Meeting of Shareholders;
- in the event of interested-party transactions, the list of persons deemed interested with clearly defined criteria;
- information sufficient to take a view on the personal and professional qualities of nominees to the Company's Board of Directors and the Revision Committee, including their track record and CV, as well as information on the Board nominees' compliance with the independence criteria;
- substantiation of the proposed allocation of net profit and its assessment for compliance with the Company's dividend policy.

3.1.8. In preparing for the General Meeting of Shareholders, the Company makes appropriate organisational and technical arrangements to enable the shareholders to put questions to the members of the Company's Board of Directors and executive bodies. Aeroflot sets up a dedicated telephone line (hotline) for shareholder communications, specifying the relevant telephone numbers in the notice of the General Meeting of Shareholders. Aeroflot's corporate website also features contact details of the Corporate Governance Department, which is responsible for interaction with the Company's shareholders.

3.1.9. The registration procedure for the Company's General Meeting of Shareholders held in the form of joint presence does not prevent any of the shareholders from participating in the meeting and is clearly set out in the Regulations on the General Meeting of Shareholders of PJSC Aeroflot. The latter provide for online registration in the dedicated section of Aeroflot's corporate website. Further details on such registration can be found in the notice of the General Meeting of Shareholders.

3.1.10. The procedure for holding the General Meeting of Shareholders enables shareholders to make balanced and well-informed decisions on all agenda items and allows sufficient time for reports on agenda items and discussion thereof.

3.1.11. The shareholders are given the opportunity to ask questions to members of and nominees to Aeroflot's governance bodies. For that purpose, members of the Company's Management Board, Board of Directors and Revision Committee, nominees to the Board of Directors and Revision Committee, representatives of the Company's external auditors, and the Company's Chief Accountant are invited to the General Meeting of Shareholders.

3.1.12. As the legislation does not prohibit voting at the General Meeting of Shareholders for voting shares held by the Company's controlled entities (quasi-treasury stock), Aeroflot implements mechanisms for the Company's Board of Directors to control voting with quasi-treasury shares. Regulations on the procedure for exercising the rights attached to quasi-treasury shares of PJSC Aeroflot provide, inter alia, that the Board of

Directors of PJSC Aeroflot shall approve the voting position for voting with quasi-treasury shares on all agenda items of the General Meeting of Shareholders.

3.1.13. Voting at the General Meeting of Shareholders shall be held by ballots. Aeroflot's shareholders are given the opportunity to complete voting ballots electronically (including electronic completion via the dedicated section of the Company's corporate website) or through the registrar acting as the record keeper of rights in respect of their shares.

3.1.14. The Company's special registrar acts as the counting board during General Meetings of Shareholders, which prevents errors and eliminates the risk of abuses in counting the votes.

3.1.15. Resolutions passed by the General Meeting of Shareholders and voting results shall be announced during the General Meeting of Shareholders at which the vote took place and communicated to the stakeholders in the manner prescribed by the Russian laws and the Company's by-laws. The minutes of the General Meeting of Shareholders shall be posted on Aeroflot's corporate website.

3.2. The right to receive profit through dividends

3.2.1. Aeroflot's shareholders are entitled to a share in the Company's profit in the form dividends and liquidation value. Corporate governance practices of the Company prevent shareholders from making profit from Aeroflot in any other way.

3.2.2. Aeroflot sets a clear and transparent procedure for dividend calculation and payment. To that end, the Company's Board of Directors approves the Regulations on the Dividend Policy, which lay down the principles and rules for the calculation, declaration and payment of dividends. These Regulations are available on the Company's corporate website at: <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com.

3.2.3. Aeroflot's Regulations on the Dividend Policy determine the minimum share of the Company's net profit to be distributed in the form of dividends, the basis for calculating dividend payouts being the net profit of Aeroflot Group according to the consolidated IFRS financial statements.

3.2.4. The Company's Board of Directors decides on the recommended amount of dividend based on a specially developed system that weighs a range of performance indicators for the reporting year and Aeroflot Group's leverage. In addition, the Company's Board of Directors considers the position of the Government of the Russian Federation acting on behalf of the Russian Federation as the Company's shareholder.

3.2.5. Dividends are paid to shareholders in cash. The Company's executive bodies ensure full and timely payment of the declared dividends.

3.2.6. If the General Meeting of Shareholders resolves to pay dividends, Aeroflot posts a separate notice (press release) on its corporate website at <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com, providing shareholders with clear and definitive information on the respective resolution, including the dividend amount, form, payout procedure and dates. Shareholders are additionally informed of their obligation to notify the Company's registrar of any changes in their bank details and/or postal addresses as well as of the consequences of non-compliance with this obligation.

3.3. Keeping records of rights to shares

3.3.1. Aeroflot ensures that records of its shareholders' rights to shares are kept in a reliable and efficient manner and shareholders can manage their shares freely and without hindrance.

3.3.2. The Company's register of shareholders is kept by a professional registrar with a strong business reputation that is in possession of all appropriate resources, including reliable tools to effectively record ownership rights and ensure the exercise of shareholder rights.

3.3.3. Information on the registrar and its contact details are available on the Company's official website at: <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com.

3.3.4. The Company, together with the registrar, regularly updates the information on the shareholders whose rights to shares are recorded in the register.

3.4. Shareholder relations

3.4.1. Aeroflot places considerable emphasis on interaction with shareholders and maintains an ongoing dialogue between the Company and its shareholders to keep them fully informed of its operations.

3.4.2. Shareholders' most frequently asked questions regarding the exercise of their rights and the answers to such questions, as well as other important information for shareholders, including the investor calendar, can be found in the dedicated section of the Company's corporate website at: <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com.

3.4.3. The Aeroflot website also features telephone numbers and an e-mail address of the Corporate Governance Department, which is the Company's unit responsible for interaction with shareholders and processing of their written and oral queries.

3.4.4. The Company actively interacts with minority shareholders by holding regular meetings and organising presentations, including those related to the Company's accounting (financial) statement disclosures, as well as to Aeroflot's major investment projects and strategic development plans.

4. The Company's Board of Directors

4.1. Role of the Board of Directors

4.1.1. Effective and competent Board of Directors is the cornerstone of Aeroflot's corporate governance system, with its main responsibility being strategic governance of the Company.

4.1.2. The remit of the Board of Directors is set out in the Federal Law *On Joint-Stock Companies*, Aeroflot's Articles of Association and Regulations on the Board of Directors, and includes the following key functions:

- defining the Company's key business lines;
- approving and monitoring the performance of the Company's budget and business plans;
- setting the Company's key performance indicators and monitoring their achievement;
- appointing the Company's executive bodies and controlling their activities;
- determining the Company's remuneration policy applicable to the members of the Board of Directors and executive bodies;
- determining the Company's risk management and internal control principles and approaches;
- overseeing the activities of controlled entities in terms of material corporate actions and material transactions;
- determining the Company's information policy and monitoring its implementation;

- playing a key role in preventing, identifying and resolving conflicts of interest, including those arising among the Company's bodies, shareholders and employees;
- identifying key areas for improving the Company's corporate governance practices and monitoring implementation of the assigned tasks.

4.2. Members of the Board of Directors

4.2.1. Members of Aeroflot's Board of Directors are elected by the General Meeting of Shareholders in accordance with the Federal Law *On Joint-Stock Companies* and the Company's Articles of Association. The election procedure enables shareholders to obtain the information about the Board nominees sufficient to take a view on the nominees' personal and professional qualities.

4.2.2. The Board of Directors consists of eleven (11) directors, ensuring the most efficient arrangement of the Board's activities in line with the Company's goals and objectives, and enabling establishment of committees and representation of Aeroflot's minority shareholders on the Board of Directors.

4.2.3. The Board members have impeccable business and personal track records, as well as sufficient skills, expertise and experience to make effective decisions falling within the Board's remit. The Board of Directors shall be balanced in terms of its members' qualifications, expertise and experience, as well as the number of executive, non-executive and independent directors.

4.2.4. Executive directors shall mean those employed by Aeroflot.

4.2.5. To ensure maximum impartiality of the Board of Directors and due regard for the interests of different shareholder groups, the Board of Directors shall include at least three directors who comply with the independence criteria set forth in the Listing Rules of the Moscow Exchange that has Aeroflot's securities in its quotation list.

4.2.6. On the basis of the information available to it, the Personnel and Remuneration Committee of Aeroflot's Board of Directors assess whether nominees to the Board comply with the substantive independence criteria. The assessment results are provided to shareholders as part of the materials for the General Meeting of Shareholders that is to elect members to Aeroflot's Board of Directors.

4.2.7. An independent director shall refrain from actions which might strip them of their independent status. Should any circumstances stripping an independent director of their independent status occur following their election to the Board, they shall notify the Board of Directors accordingly. The Board, in its turn, shall make sure that the information on the director's forfeiture of their independent status be disclosed.

4.2.8. In exceptional cases, Aeroflot's Board of Directors may recognise a nominee's/director's independent status despite the nominee/director being formally related to the Company, its substantial shareholder, counterparty and/or competitor if the said nominee's/director's related status does not hamper their ability to make independent, unbiased and fair judgements.

4.2.9. The Chairman of the Board of Directors shall be a person with an impeccable business and personal reputation and extensive managerial track record.

4.2.10. The Chairman of Aeroflot's Board of Directors is responsible for arranging effective operations of the Board and its committees, as well as for interacting with other executive and supervisory bodies of the Company.

4.2.11. The Chairman's key responsibilities are to manage the Board's activities, promote a constructive spirit of Board meetings, ensure correct and timely drafting of its meeting minutes, and oversee the implementation of the Board's resolutions.

4.3. Organisation of the Board of Directors' activities

4.3.1. Procedures to organise the Board of Directors' activities (including those to prepare for and hold the Board meetings), the rights, obligations and responsibilities of the Board members are set out in Aeroflot's Regulations on the Board of Directors.

4.3.2. The Board meetings shall be held at least once a month according to the work plan made for the corporate year and approved at the first meeting of the new Board of Directors. Extraordinary meetings shall be convened on an ad hoc basis.

4.3.3. The Company's Board of Directors may hold meetings in person and in absentia. The Chairman of the Board of Directors shall determine the format of the Board meeting with due regard to the importance of agenda items.

4.3.4. Aeroflot's Articles of Association and Regulations on the Board of Directors define the matters to be resolved by the Board of Directors at in-person meetings only, and the matters to be resolved by a majority of votes from all elected members of the Board of Directors.

4.3.5. The procedure to prepare for the Board meetings enables the Board members to make proper preparations. The notice of the Board meeting together with its agenda and relevant materials shall be sent to each Board member at least ten (10) days prior to the date of the meeting.

4.3.6. Aeroflot creates the conditions for the Board members to participate in the meetings in every possible way:

- the Company's Articles of Association stipulate that a written opinion of a Board member absent from a meeting shall be counted in when determining the quorum and outcome of the vote on the agenda items;
- the Company enables the Board members staying away from the meeting venue to participate in deliberations and vote remotely via conference calls and video conferencing.

4.3.7. The Board members have the right to seek professional advice on matters falling within the Board's remit and improve their qualifications at the expense of the relevant Company's budget provided that they do so in compliance with and in the manner provided for in the Company's by-laws.

4.3.8. The members of Aeroflot's Board of Directors shall have an opportunity to obtain all the information required to duly deliver on their responsibilities. In particular, one of the collective executive body's objectives is to regularly inform the Board of Directors on the Company's financial position, implementation of priority programmes, deals and resolutions that may have a significant impact on the Company's business.

4.3.9. The newly elected members of the Board of Directors shall review the Company's by-laws, previously adopted Board resolutions, statutory provisions on the securities market that pertain to the board members' transactions with the Company's securities and the securities of (stakes in) its controlled entities held by them, and about confidentiality obligations with respect to the information obtained by them in the course of their duties. In addition, the Board's Personnel and Remuneration Committee develops an onboarding programme for the newly elected Board members to help them learn about the Company's key assets, strategy, business practices, organisational structure, key managers and Board procedures.

4.3.10. To minimise any potential adverse impact of wrong decisions that may be made by the Board of Directors, Aeroflot insures the liability of its Board members at its own expense.

4.4. Conflict of interest on the Board of Directors

4.4.1. The members of Aeroflot's Board of Directors perform their duties in a bona fide and reasonable manner, which suggests they have no conflict of interest when making decisions².

4.4.2. The Company has taken measures to identify, resolve and prevent conflicts of interest on the Board of Directors and formalise the following obligations of the Board members:

- when a potential conflict of interest arises (including in case of a personal interest in any transaction made by the Company), notify the Board in writing, invariably putting the Company's interests before their own;
- refrain from taking any action that will or may lead to a conflict between their interests and those of the Company;
- when a conflict of interest arises, inform the Board of Directors accordingly through the Board's Chairman or Aeroflot's Corporate Secretary, stating the causes thereof. Whatever the case may be, the Board's member shall report their conflict of interest in writing before a Board or a respective committee meeting involving the Board member in question starts debates on the matter to which the member's conflict of interest pertains;
- refrain from voting on matters to which the conflict of interest pertains, and participating in the Board meeting discussing the respective matter, to the extent that its nature or the context of the conflict of interest so require;
- inform the Board of Directors and/or the Corporate Secretary of the Company about the parties related to or affiliated with them;
- inform the Board of Directors about holding the Company's securities or the securities of (stakes in) its controlled entities, intended and completed transaction involving the Company's securities or the securities of (stakes in) its controlled entities;
- refrain from accepting gifts from persons promoting their interests in the decision-making process of the Board of Directors, or any other direct/indirect benefits offered by such persons (excluding symbolic gifts prescribed by the generally accepted etiquette rules or souvenirs distributed on formal occasions).

4.5. Assessment of the Board's performance

4.5.1. To improve its efficiency, Aeroflot's Board of Directors engages an independent external advisor to assess the performance of the Board and its committees at least once every three years.

4.5.2. Assessment of the Board's performance serves to:

- determine if the Board and its committee performance is compliant with the Company's development needs;

² For the purposes of this Code, a conflict of interest shall mean a situation in which a personal interest (direct or indirect) of a member of the Company's Board of Directors or collective executive body comes into conflict with Aeroflot's rights and legitimate interests, which affects or may affect proper, fair and unbiased performance of their duties to the Company, and may damage Aeroflot's legitimate interests and/or reputation. A conflict of interest may, inter alia, arise from transactions in which the said person has a direct or indirect personal interest, acquisition of shares (stakes) in the Company's competitors, jobs the said person does for any such competitor, and contract or any other relations they nurture with any such Company's competitor.

- optimise the size and composition of the Board;
- boost the Board's activity and identify areas for improvement;
- enhance informational and organisational support of the Board's activities.

4.5.3. Based on the results of the external assessment, the Personnel and Remuneration Committee develops recommendations on how to improve the Board and its committee performance.

4.5.4. The assessment results and recommendations of the Personnel and Remuneration Committee are reviewed by Aeroflot's Board of Directors at an in-person meeting.

4.5.5. Information about the advisor, goals, methods and key results of the assessment is disclosed in Aeroflot's annual report.

4.6. Remuneration of the Board of Directors

4.6.1. In order to attract and motivate persons with expertise and qualifications required by Aeroflot, and to ensure their strong contribution to the Company's strategic goals, Aeroflot has put in place a remuneration system for the Board members that ensures an adequate remuneration for the said purposes.

4.6.2. The procedure for the calculation and payouts of the Board's remuneration is set forth in the Regulations on Payment of Remuneration and Compensation to the Members of PJSC Aeroflot's Board of Directors drafted based on recommendations of the Board's Personnel and Remuneration Committee and approved by the Company's General Meeting of Shareholders.

4.6.3. A member of the Board of Directors receives a fixed remuneration that reflects the time and effort associated with their participation in the meetings, and additional remuneration for chairing of the Board of Directors and chairing of / membership in its committees.

4.6.4. Remunerations are not accrued and paid to the members of the Board of Directors who also sit on the Company's executive bodies and to the members of the Board of Directors who are subject to restrictions or bans on receiving any payments from business entities imposed by the applicable Russian laws.

4.6.5. To harmonise the interests of the Board members, Aeroflot and its shareholders, the Company has put in place a long-term incentive programme for the Board members. The remuneration paid thereunder is linked to a number of indicators underpinning the Company's successful development in the long term.

4.7. Committees of the Board of Directors

4.7.1. To carry out preliminary review and thorough examination of the most important matters within the remit of the Board of Directors and provide recommendations on the relevant resolutions, Aeroflot's Board of Directors has the following standing committees:

- The Audit Committee is primarily tasked with enhancing supervision over the Company's financial and business operations. It prepares and submits for consideration by the Board of Directors recommendations and proposals on matters that include:
 - drafting business plans and ensuring the implementation thereof;
 - establishing and ensuring compliance with effective internal control and risk management procedures;

- maintaining effective and transparent governance at Aeroflot, including mechanisms to prevent and eliminate abuse by executive bodies and officers;
- ensuring accuracy of financial data used or disclosed by Aeroflot.
- The Personnel and Remuneration Committee is responsible for developing recommendations and proposals to be further submitted to the Board of Directors on matters that include:
 - criteria for selecting and evaluating nominees to the Company's governance bodies and determining their remuneration;
 - methodology behind the Company's remuneration system;
 - the Company's organisational structure;
 - key principles of HR policy.
- The Strategy Committee is responsible for developing recommendations and proposals for the Board of Directors on enhancing the Company's performance and its long-term strategy, as well as on its dividend policy.

4.7.2. Aeroflot's Board of Directors has the right to set up other committees for preliminary consideration of matters falling within scope of the Board's competence.

4.7.3. The procedure for setting up and organising the work of the Board's committees is governed by Aeroflot's committee regulations approved by the Board of Directors and available on the Company's corporate website at: <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com.

4.7.4. The Audit Committee and the Personnel and Remuneration Committee shall be comprised of independent directors only, and if compliance with this requirement is reasonably impossible, independent directors shall make up the majority of the committees, including their chairs, while the rest of the committee positions may be filled by members of the Board of Directors other than those acting as the sole executive body and/or members of the collective executive body.

4.7.5. The committees provide reports on their activities to the Company's Board of Directors on an annual basis.

5. Executive bodies of the Company

5.1. Composition of executive bodies and organisation of their activities

5.1.1. The Company's sole executive body, the CEO, and its collective executive body, the Management Board, are charged with running the Company's ongoing operations. Aeroflot's CEO also acts as the Chairman of the Management Board.

5.1.2. The executive bodies report directly to the Board of Directors and the General Meeting of Shareholders. The CEO organises the implementation of resolutions passed by the General Meeting of Shareholders and the Board of Directors in line with the principles of reasonableness and integrity, acting professionally and taking into account the interests of the shareholders, employees and other stakeholders.

5.1.3. The Board of Directors is authorised to appoint members of the Management Board and elect the CEO, as well as terminate their powers early. The CEO is elected for a period of no more than five years.

5.1.4. Activities of the Company's executive bodies are governed by the applicable laws, Aeroflot's Articles of Association and Regulations on the Management Board approved by the Company's General Meeting of Shareholders and setting forth the rights and

obligations of the members of the Management Board and the procedure to prepare and hold the meetings of the Management Board.

5.1.5. To prepare recommendations and proposals aimed at improving the Company's performance, the Management Board may set up dedicated committees, either on a permanent or temporary basis, for considering matters related to specific areas of Aeroflot's operations. Activities of such committees shall be governed by relevant regulations.

5.1.6. The executive bodies regularly report to Aeroflot's Board of Directors.

5.1.7. To minimise any potential adverse impact of wrong decisions that may be made by the executive bodies, Aeroflot insures the liability of its executive body members at its own expense.

5.2. Management of conflicts of interest in executive bodies

5.2.1. Members of Aeroflot's executive bodies shall refrain from participating in making decisions on matters where they have a conflict of interest.

5.2.2. The Company has implemented measures to prevent, identify and resolve conflicts of interest in the executive bodies and formalise the following obligations of their members:

- refrain from taking any actions that will or may lead to a conflict between their interests and those of the Company;
- where a conflict of interest arises or may arise, notify the CEO (in case of the Management Board members) and the Chairman of the Board of Directors (in case of the CEO) accordingly in writing;
- inform the Board of Directors, the Revision Committee and the Company's Auditor about any legal entities in which they hold, independently or jointly with their affiliates, 20% or more of the voting shares (stakes, units); about any legal entities where they hold positions in governance bodies; and about the Company's completed or contemplated transactions they are aware of in which they could be deemed interested;
- inform the Company's Management Board and the Corporate Secretary through the Chairman of the Management Board and/or the Executive Secretary of the Management Board about holding the Company's securities and the securities of (stakes in) its controlled entities, as well as about their intended and completed transactions involving the Company's securities and/or the securities of (stakes in) its controlled entities;
- refrain from the decision-making process in cases of transactions where they have a conflict of interest or are influenced by persons with such conflict of interest.

5.2.3. Overlapping positions of the CEO and the Management Board members in the governance bodies of other organisations shall be sanctioned by Aeroflot's Board of Directors.

5.3. Remuneration of the executive body members and the Company's management

5.3.1. The system of remuneration in place for Aeroflot's CEO, Management Board members and key managers enables the Company to attract and retain highly qualified professionals.

5.3.2. The remuneration package includes fixed (base salary) and variable (short-term bonuses and long-term incentives) components. The Company ensures a reasonable balance between the fixed and variable components and between the short- and long-term indicators underlying the variable component.

5.3.3. Short-term bonuses directly depend on the Group-wide performance and are calculated in accordance with the Company's KPI-based Employee Bonus System on the basis of quarterly and annual performance. The KPI-based Employee Bonus System is defined by the Regulations on Bonus Payments to the Managers and Specialists of Aeroflot.

5.3.4. The CEO's KPIs, their weights and target values for the given reporting period are approved and updated by the Company's Board of Directors on the basis of the Personnel and Remuneration Committee's recommendations and then cascaded to the level of other members of the Management Board. Performance of the Company's executive bodies against KPIs is assessed by Aeroflot's Board of Directors taking into account the opinion of the Personnel and Remuneration Committee and the Company's risks.

5.3.5. The Company approves a long-term incentive programme for managers aimed at aligning the interests of the management team with the long-term interests of the Company's shareholders.

5.3.6. Aeroflot is committed to the principles of openness and transparency, making sure to disclose the information on the remuneration of the Company's executive body members and key managers in accordance with the applicable laws. The Company's annual report discloses the key principles of remunerating the Company's executives and the KPI system.

6. Corporate Secretary

6.1. The responsibilities of Aeroflot's Corporate Secretary are vested with the Executive Secretary of the Board of Directors appointed by the Company's Board of Directors. The Executive Secretary may concurrently hold positions in the Corporate Governance Department or other Company's units.

6.2. The office of the Executive Secretary of the Company's Board of Directors operates in compliance with Aeroflot's Articles of Association, the Regulations on the Company's Board of Directors and the Regulations on the Executive Secretary and the Office of the Board of Directors of PJSC Aeroflot. The activities of the Corporate Governance Department are governed by the Regulations on the Corporate Governance Department of PJSC Aeroflot.

6.3. The Executive Secretary of the Board of Directors is responsible for providing organisational and informational support to the Board of Directors and the Company's General Meeting of Shareholders, monitoring compliance of Aeroflot's bodies and officers with the corporate governance rules and procedures prescribed by Russian laws, the Company's Articles of Association and by-laws, fostering the Company's interaction with shareholders and other stakeholders, as well as facilitating the improvement of Aeroflot's corporate governance practices.

6.4. The Executive Secretary shall inform the Chairman of the Board of Directors and the CEO of any conflicts of interest that may arise and their causes.

6.5. Information on the Executive Secretary of the Company's Board of Directors is disclosed in Aeroflot's annual report and on the Company's corporate website at: <https://www.aeroflot.ru/gb-en> and ir.aeroflot.com.

7. Internal control and risk management system, internal and external audit

7.1. Internal control and risk management

7.1.1. The Company runs an effective internal control and risk management system providing an unbiased and fair view of the Company's current position and future prospects and ensuring the integrity and transparency of its reporting process along with a reasonable and acceptable risk appetite.

7.1.2. Aeroflot's Board of Directors defines risk management and internal control principles and approaches. For this purpose, the Board has adopted and updates (as required) the following by-laws:

- Regulations on Internal Control over Aeroflot's Financial and Business Operations defining the objectives of internal control, its operating principles, and the bodies responsible for exercising the Company's internal control;
- Regulations on the Risk Management System of Aeroflot Group laying down fundamental principles of a single methodology for assessing and managing risks at Aeroflot and its controlled entities.

7.1.3. Key objectives of Aeroflot's risk management and internal control system are:

- ensuring confidence of shareholders, investors, and counterparties in the Company, its governance bodies and officers;
- providing reasonable assurance that the Company will achieve the goals set in terms of its operations, reporting and compliance;
- protecting shareholders' capital investments and the Company's assets;
- identifying risks and managing identified risks;
- monitoring compliance with the applicable laws, by-laws and procedures of the Company.

7.1.4. Aeroflot's risk management and internal control system comprises:

- The Company's governance bodies: Board of Directors, Management Board, CEO
- Audit Committee of the Board of Directors
- Revision Committee of the Company
- Internal Audit Department
- Risk Management Department

7.1.5. Based on the resolution of Aeroflot's Board of Directors, the Company has set up a dedicated unit in place – the Risk Management Department, which is responsible for:

- overall coordination of risk management processes;
- drafting methodological documents on the risk management process;
- training the Company's employees in risk management and internal control;
- analysing the Company's risk portfolio, developing proposals on a response strategy and redistribution of resources in the process of managing relevant risks;
- drafting consolidated reports on risks;
- exercising day-to-day control over the risk management process by the Company's units and controlled entities in accordance with the established procedure;
- drafting reports on the effectiveness of the risk management process and other risk management matters across Aeroflot Group and provision of relevant information to the Board of Directors and the Company's executive bodies.

7.1.6. The Audit Committee of the Board of Directors is responsible for regularly assessing the quality, reliability and effectiveness of the Company's risk management and internal control system.

7.1.7. The Company's Board of Directors has approved Aeroflot Group's Anti-Corruption Policy providing for a range of initiatives, standards and procedures to prevent and combat corruption or other offences and mitigate reputational risks or risks of corruption penalties.

7.1.8. As part of the risk management and internal control system, the Company maintains an anonymous hotline for whistleblowers to report any possible violations of the law, the Company's internal regulations and ethics standards to the Board of Directors (the Audit Committee) which is used to counter fraud and corruption or other unlawful acts by members of Aeroflot's governance bodies or employees.

7.1.9. The Company guarantees that all hotline reporting is confidential and whistleblowers are not subject to retaliatory measures (dismissal, non-payment of bonuses, etc.).

7.2. Internal and external audit

7.2.1. To ensure the Company's economic efficiency and effectiveness, strong financial and operational performance, safety of assets, accuracy of information on financial and business operations, as well as compliance with legal requirements, Aeroflot has set up the Internal Audit Department (IAD) to perform the centralised internal audit function.

7.2.2. The Company's Board of Directors approved the Regulations on the Internal Audit of Aeroflot Group defining the objectives, tasks, powers and responsibilities in the realm of the Group's internal audit.

7.2.3. The activities of the Internal Audit Department are governed by the Regulations that define its functions in line with the requirements set forth by the Russian Corporate Governance Code, Listing Rules of the Moscow Exchange, and International Standards for the Professional Practice of Internal Auditing as well as specifics of Aeroflot Group's operations. The key functions of the IAD lie in the field of assessing efficiency of the internal control and risk management systems and the Company's corporate governance.

7.2.4. Head of the Company's Internal Audit Department is appointed or removed from office by a CEO's order pursuant to the Board of Directors' resolution.

7.2.5. The independence and impartiality of internal audit by the IAD is achieved through its functional reporting line to the Board of Directors and the Audit Committee and administrative reporting line to the CEO.

7.2.6. The IAD regularly reports to the Board of Directors (the Audit Committee) and the CEO on the progress against the annual action plan, completed audits, and implementation of the IAD's recommendations.

7.2.7. To perform an independent assessment of the accuracy of the accounting (financial) statements prepared in accordance with the Russian and international standards, the Company engages recognised and highly qualified external auditors on an annual basis. Auditors are selected through a transparent competitive bidding process, with selection criteria including auditor's experience, independence, reputation, and knowledge of the Company's business.

7.2.8. An audit firm that wins the open bidding process is then reviewed by the Board of Directors' Audit Committee and recommended for approval by the General Meeting of Shareholders as prescribed by the law.

7.2.9. The Board of Directors' Audit Committee assesses whether the Company's external auditors and auditor candidates are independent, impartial and free from potential conflicts of interest, develops proposals on the appointment, re-election and dismissal of the Company's external auditors, their remuneration and terms of engagement, and provides relevant recommendations to Aeroflot's Board of Directors.

8. Information policy and disclosure of information

8.1. To make the business more transparent to its shareholders and other stakeholders, Aeroflot pursues timely and full disclosure of all significant corporate information.

8.2. The Board of Directors approved the Regulations on the Corporate Information Policy defining the principles and objectives of the Company's information policy and standards and priorities of information disclosure and governing the Company's corporate communications.

8.3. Aeroflot's Corporate Information Policy is aimed at making sure that the Company's activities and strategic development are supported by its target audiences.

8.4. The key principles of the Company's Corporate Information Policy are consistency, timeliness and simultaneity of information disclosure; objectivity, completeness and accuracy of the disclosed information and its accessibility to all stakeholders; as well as the protection of confidential and insider information.

8.5. Aeroflot promptly releases its official comments in response to any rumours or speculation giving rise to a misleading view of the Company's operations and the value of its securities and putting the interests of its shareholders and investors at risk.

8.6. The executive bodies of the Company are responsible for the implementation of the corporate information policy and the Board of Directors is charged with monitoring compliance therewith.

8.7. The Company undertakes to make additional disclosures of corporate information on top of those required by the law. The additional disclosures include:

- the information about the Company's mission, values, priorities, and development strategy;
- the Company's performance indicators by reporting periods;
- social and environmental responsibility information;
- the Company's capital structure;
- corporate governance information;
- comments to annual and interim financial statements by the Company's executive bodies, including the analysis of the Company's financial condition and performance along with trends that could affect its operations in the future;
- the information about the entities controlled by and material for the Company, including their roles and core activities as well as functional relationships between the key companies of Aeroflot Group.

8.8. The Company uses multiple disclosure channels, either accessible to most of the stakeholders or intended for specific target audiences:

- The Company's corporate website (<https://www.aeroflot.ru/gb-en> and ir.aeroflot.com) is the main channel for information disclosure. The website is updated on a regular basis and contains extensive and relevant information about

the Company and its performance. The information is provided in both Russian and English and is fully accessible to any user.

- Newswires of the authorised agencies.
- The annual report is the Company's main information product enabling Aeroflot's shareholders and other stakeholders to assess its annual performance. Annual reports disclose information in accordance with the laws, the Russian Corporate Governance Code, and best global practices of annual reporting.
- Corporate media: a corporate newspaper for employees (printed and electronic) and Aeroflot's in-flight magazines.
- Intranet: an in-house website providing corporate information to the Company's employees.

8.9. When providing shareholders with access to documents as prescribed by Russian laws, the Company maintains a reasonable balance between its interests and the interests of individual shareholders, specifically as regards confidentiality of sensitive commercial information which may materially affect the Company's competitive position.

8.10. Aeroflot takes due care in keeping confidential and insider information safe. The use of such information is governed by the relevant Company by-laws.

9. Material corporate actions

9.1 The Company is committed to ensuring that material corporate actions are made on an arm's length basis and respect the rights and interests of shareholders and other stakeholders.

9.2 Aeroflot understands material corporate actions are those which materially affect or may materially affect the share capital structure or financial position of the Company. Such actions include, without limitation:

- reorganisation of the Company;
- acquisition of at least 30% of the Company's voting shares (takeover);
- material transactions made by the Company;
- increase or decrease of the Company's authorised capital;
- listing or delisting of the Company's shares.

9.3 Aeroflot performs material corporate actions in such a manner as to provide shareholders with full visibility on, and enable them to influence, such material corporate actions.

9.4 The key rules and procedures for material corporate actions are outlined in the Articles of Association and by-laws of the Company.

9.5 Material corporate actions are subject to prior approval by Aeroflot's General Meeting of Shareholders or Board of Directors.

9.6 The Board of Directors is also responsible for making decisions on whether to approve material transactions of Aeroflot's controlled entities. To this end, the Board of Directors evaluates signs of potential interest in such transactions that members of the Company's governance bodies or persons controlling the Company may have.

9.7 To appraise the value of property disposed of or acquired in a major transaction or an interested-party transaction, the Board of Directors may engage an independent appraiser with impeccable reputation and relevant expertise, or give reasons for not engaging such appraiser if otherwise.

9.8 The Company discloses information on material corporate actions in the manner prescribed by applicable laws and Aeroflot's by-laws.

10. Resolving corporate conflicts

10.1 Aeroflot makes every effort to prevent and resolve corporate conflicts, i.e. conflicts between the Company's governance bodies and its shareholders as well as conflicts between shareholders should such conflicts affect the Company's interests.

10.2 When resolving a corporate conflict, Aeroflot seeks to find a solution that while being lawful and reasonable would also be in the Company's best interests.

10.3 Aeroflot's Board of Directors plays the key role in identifying and resolving corporate conflicts. Should a corporate conflict arise, the Board of Directors identifies whether it can participate as a mediator in resolving the conflict and the scope of such participation and chooses ways to resolve the same.

10.4 Any member of the Board of Directors believing that their interests are or may be affected by the corporate conflict, shall notify the Board of Directors accordingly and shall be excluded from resolving this conflict.

10.5 If needed, the Company's CEO may take part in resolving corporate conflicts.

10.6 The Executive Secretary of the Board of Directors acting as the Company's Corporate Secretary shall take steps to prevent stakeholders from abusing their rights, proactively identify emerging conflicts and take measures to avert or resolve such conflicts.

11. Final provisions

11.1 This Code, including all amendments and additions, shall take effect after being approved by Aeroflot's Board of Directors.

11.2 Should the laws of the Russian Federation and/or Aeroflot's Articles of Association be amended rendering the provisions of this Code contradictory to them, the laws of the Russian Federation and/or Aeroflot's Articles of Association shall prevail.

11.3 This Code is available on the Company's corporate website at www.aeroflot.ru/gb-en and ir.aeroflot.com.

11.4 Aeroflot's controlled entities shall seek to comply in their operations with the corporate governance principles set out in this Code.

Alexey Melyokhin

Head of the Corporate Governance Department

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