

## Corporate governance principles

The corporate governance system of JSC Aeroflot has been developed in conformity with the provisions of Russian law and best international practice. It is designed to ensure efficient governance and to implement principles of openness, access to information on Company business, and full observance of the rights and interests of shareholders and investors.

Aeroflot understands the importance of improvements to corporate governance at its subsidiaries and affiliates (particularly those, which have been recently acquired) and has set itself the task of ensuring openness and transparency of their business, grafting the key corporate governance principles of JSC Aeroflot onto other companies in the Group.

At the same time, the Company is making further improvements to its own corporate governance processes and raising the transparency of its operating and financial activities. In an important step on April 4, 2012 the JSC Aeroflot Board of Directors approved a 'Regulation on Purchase of Goods, Works and Services', which improved procurement procedures at JSC Aeroflot.

Main Company documents regulating observance of the rights of JSC Aeroflot shareholders include:

- JSC Aeroflot Charter;
- Statute on the General Meeting of Shareholders of JSC Aeroflot;
- Statute on the Board of Directors of JSC Aeroflot;
- Statute on the Executive Board of JSC Aeroflot.

Corporate governance at JSC Aeroflot is exercised by the following bodies with responsibility for management and control:

- General Meeting of Shareholders;
- Board of Directors;
- Executive Board;
- Chief Executive Officer;
- Revision Committee.

Independent review of the business of JSC Aeroflot is carried out by an external auditor.

JSC Aeroflot holds shares (stakes in charter capital) of subsidiary and affiliate companies and exerts influence over their businesses in the following ways:

- participation of JSC Aeroflot representatives in the work of senior management bodies, collective management bodies and supervisory bodies of organizations in which JSC Aeroflot holds shares (stakes in capital);
- adoption of decisions in sole discretion pursuant to existing law regarding business matters of subsidiary companies, in which JSC Aeroflot is the sole shareholder (member).

Work is also carried out by means of special committees attached to the Boards of Directors of subsidiaries and affiliates. For example, on October 4, 2012 the Board of Directors of OJSC Rossiya Airlines resolved to create a Board Committee for Strategy, composed of senior managers of JSC Aeroflot and OJSC Rossiya Airlines.

Responsibility for ensuring the business efficiency of airline subsidiaries and affiliates is vested with the relevant sub-divisions of JSC Aeroflot.

### Corporate Governance Structure

