



CORPORATE GOVERNANCE

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Corporate Governance System

Corporate governance at PJSC Aeroflot is exercised by the General Meeting of Shareholders, the Board of Directors, the Management Board, and the Chief Executive Officer. The responsibilities of PJSC Aeroflot's Corporate Secretary are vested in the Executive Secretary of the Board of Directors, also holding the position of Director of PJSC Aeroflot's Corporate Governance Department.

The Revision Committee supervises the financial and business operations of the Company, its units and services. To ensure reliability and transparency of its financial statements prepared under both the Russian Accounting Standards and the International Financial Reporting Standards, PJSC Aeroflot regularly engages external auditors. The Internal Audit Department accountable to the Audit Committee of PJSC Aeroflot's Board of Directors also audits the Company's financial and operational activities.

Corporate Governance System
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Key documents ensuring protection of PJSC Aeroflot shareholder rights include:

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- Articles of Association
- Regulations on the General Meeting of Shareholders
- Regulations on the Board of Directors
- Regulations on the Management Board
- Regulations on the Revision Committee
- Corporate Governance Code
- Regulations on the Corporate Information Policy
- Dividend Policy
- Corporate Conduct Code.

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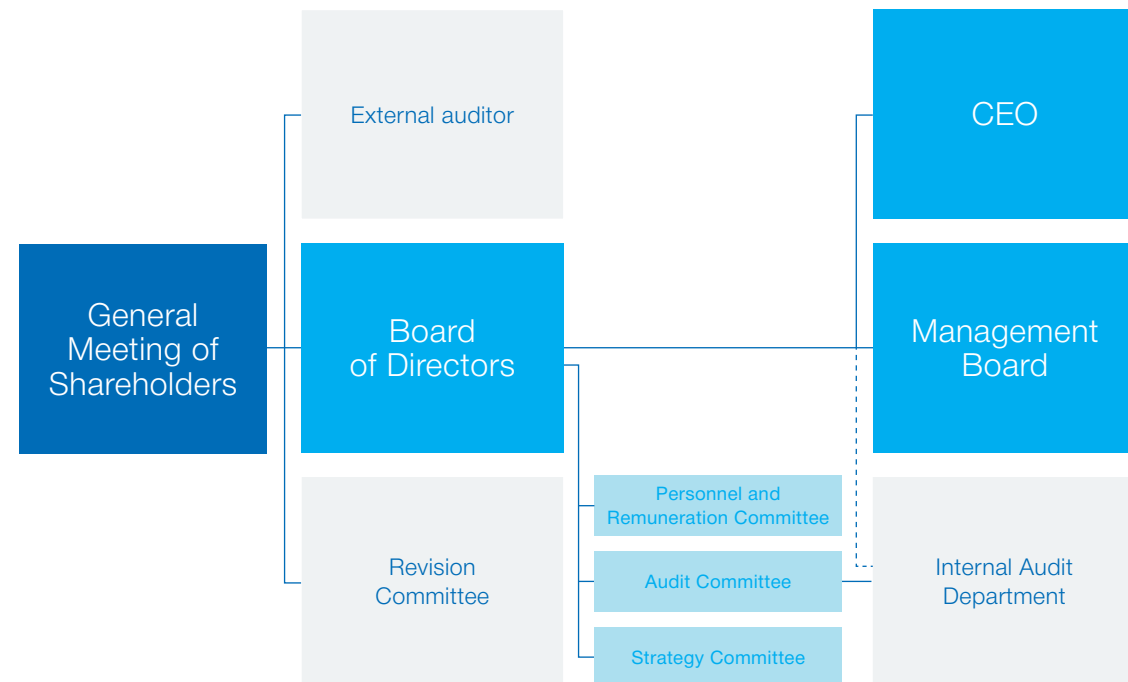
PJSC Aeroflot controls interests in (holds shares in the charter capital of) a number of subsidiaries, including airlines, where PJSC Aeroflot also ensures compliance with the top standards of corporate governance by developing and implementing Group-wide policies and principles. The Company has in place a cross-functional governance system for its aviation subsidiaries.

To ensure supervision over financial and business activities of its subsidiary airlines, the Group

enabled each of them to have a dedicated revision committee made up of PJSC Aeroflot's representatives. In addition to inspections by revision committees, the airlines are subject to inspections by an auditor approved pursuant to the relevant bidding procedures.

In accordance with the applicable laws and their articles of association, each subsidiary airline developed and adopted dedicated internal documents stipulating the responsibilities of its governing bodies.

PJSC Aeroflot's corporate governance structure



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Core principles of PJSC Aeroflot's corporate governance system:

- Protection of shareholder rights
- Fair and equal treatment of all shareholders in exercising their rights
- Preventing shareholders from abusing their rights, inflicting damage to the Company and other shareholders
- Efficient distribution of roles and powers among the Company's governing bodies
- Expertise, responsibility and accountability of the Board of Directors and executive bodies
- Establishing an efficient internal control and risk management system
- Ensuring transparency and openness of the Company's business
- Taking material corporate actions on fair terms ensuring that the rights and interests of shareholders and other stakeholders are upheld
- Compliance with ethical norms and social responsibility standards when doing business.

PJSC Aeroflot's corporate governance principles and procedures are set out in its Articles of Association and other internal documents. The Corporate Governance Code of PJSC Aeroflot summarises and systematises the Company's corporate governance practice.

The experts noted, inter alia, the following positive developments:

- Extension of the period for publishing information about an upcoming General Meeting of Shareholders to 30 days
- Expansion of the list of additional information to be provided to persons entitled to participate in General Meetings of Shareholders
- Expansion of the scope of the Board of Director's authority to include approving internal documents and ensuring functional accountability to the Board of Directors of the Company's business unit responsible for organising and conducting internal audits.

Compliance with the Russian Corporate Governance Code

Code section	Principles recommended by the Code	Complied with	Partially complied with	Not complied with
Shareholder Rights	13	13	–	–
Board of Directors	36	26	6	4
Corporate Secretary	2	2	–	–
Remuneration System	10	9	1	–
Risk Management System	6	6	–	–
Information Disclosure	7	7	–	–
Material Corporate Actions	5	4	1	–
TOTAL	79	67	8	4

Note. Statistics are based on the Corporate Governance Code Compliance Report (Appendix to this Annual Report).

7+++

In 2019, the Russian Institute of Directors confirmed PJSC Aeroflot's corporate governance rating at 7+,, Advanced Corporate Management Practices, according to the new National Corporate Governance Rating scale.

General Meeting of Shareholders

The General Meeting of Shareholders is PJSC Aeroflot's supreme governing body responsible for matters most crucial to the Company. The respective scope of authority and procedures for convening, holding and summarising General Meetings of Shareholders are set forth in PJSC Aeroflot's Articles of Association and Regulations on the General Meeting of Shareholders. The Annual General Meeting of Shareholders is held annually no earlier than three months and no later than six months after the end of the fiscal year.

Materials required in preparation for General Meetings of Shareholders are published on the Company's website in compliance with the majority of recommendations of the Corporate Governance Code to providing shareholders with additional materials in preparation for meetings. The Company's internal documents stipulate that shareholders may put questions to members of governing and control bodies during the General Meeting, along with the rules for answering such questions. The results of the General Meeting of Shareholders are announced at the meeting.

Annual General Meeting of Shareholders on 25 June 2019

In 2019, PJSC Aeroflot convened the Annual General Meeting of Shareholders in Moscow on 25 June (Minutes No. 44 dated 26 June 2019). The meeting was attended by holders of 64.1% of PJSC Aeroflot's total share capital.

The Annual General Meeting of Shareholders approved the Annual Report, 2018 accounting (financial) statements, the distribution of the net profit for FY2018, and the distribution of prior period retained earnings. The Annual General Meeting of Shareholders also approved the remunerations of members of the Board of Directors and Revision Committee, as recommended by the Board of Directors.

New Board of Directors and Revision Committee were elected. The Company's auditor for 2019 (to audit the statements prepared under the Russian Accounting Standards and International Financial Reporting Standards) was selected.

New versions of the following internal documents of PJSC Aeroflot were approved: Articles of Association, Regulations on the General Meeting of Shareholders, Regulations on the Board of Directors, Regulations on Remuneration and Compensations Payable to Members of the Board of Directors, and Regulations on the Management Board.

The General Meeting of Shareholders also approved a number of interested party transactions (including one major transaction), as well as amendments to the terms of an interested party transaction (a series of related transactions). PJSC Aeroflot's participation in the Digital Transportation and Logistics Association was approved.

The Annual General Meeting of Shareholders of PJSC Aeroflot approved a dividend of RUB 2.6877 per ordinary share for FY2018, with total dividend payments of RUB 2,856,500,000 (50% of Aeroflot Group's net profit under the IFRS).

Board of Directors

The Board of Directors acts as the Company's supreme governing body between General Meetings of Shareholders. The Board of Directors is responsible for the general management of the Company's operations, excluding matters reserved to the General Meeting of Shareholders, Management Board and Chief Executive Officer.

Board activities are guided by Russian regulations, the Articles of Association of PJSC Aeroflot, resolutions passed by General Meetings of Shareholders, and the Regulations on the Board of Directors of PJSC Aeroflot.

The Board's key focus areas include the Company's long-term sustainable development, effective oversight of its executive bodies, uncompromising observance and protection of shareholder rights and legitimate interests.

In line with the Board of Directors' activities plans, the Board meetings are held at least once a month. The Board of Directors' activities plan for the corporate year is approved at the first meeting of the new Board. As a rule, the activities plan includes essential matters concerning the Company's operations (strategy, finance, budget and risks, human resources, etc.), which are to be discussed in line with the strategic and business planning cycle. Proposals made by members of the Board of Directors and the Company's management are factored in. Extraordinary meetings may be convened to make decisions on urgent matters.

The main objectives of the Board of Directors

- define the core areas of business for the Company (including subsidiary airlines) to increase its operating profit
- operate for the benefit of shareholders, supervise the implementation of corporate initiatives
- supervise the activities of the Company's Management Board and Chief Executive Officer
- present resolutions on matters within the authority of the General Meeting of Shareholders for approval by shareholders
- discuss and approve business plans
- determine the procedure for distributing profit
- develop the Company's dividend policy, work out proposals on the amount of dividend on Company shares and dividend payout procedure, and present them for approval by the General Meeting of Shareholders
- approve the annual budget and monitor its performance
- discuss and pre-approve draft annual reports, annual accounting statements, and profit and loss statements
- analyse audit reports and opinions of the Revision Committee, and present documents featuring the results of such audits for consideration by the Company's shareholders
- approve the Company's special registrar and the terms and conditions of the contract therewith, as well as the contract termination.

The agenda of the Board of Directors' meetings must include items proposed for discussion by shareholders who in aggregate hold at least 2% of shares, members of the Board of Directors and Revision Committee, the Management Board, the Company's auditor, and the CEO.

All items on the agenda of the Board meetings are generally previewed by dedicated committees to enable a more detailed discussion and prepare recommendations for voting to the Board of Directors.

The Board meetings held in absentia consider matters on which members of the Board of Directors do not have any material comments, as well as matters of procedure. However, a matter may be moved to the agenda of a meeting held in person upon request of two members of the Board of Directors.

In their work, the Company's Board of Directors and its Committees use tablets with the dedicated software developed in Russia (the Board of Directors application). The platform allows directors to study materials for meetings in a prompt manner and have access to the Board of Directors' earlier materials and resolutions.

Corporate Governance System continued

Chairman of the Board of Directors

- is responsible for the general stewardship of the Board of Directors, convenes and chairs meetings, arranges for keeping the minutes of meetings, chairs the General Meeting of Shareholders
- helps ensure the timely provision to members of the Board of Directors of all the information required to pass resolutions and vote on agenda items
- ensures productive discussion of agenda items involving non-executive and independent directors
- controls the implementation of resolutions passed by the Board of Directors and General Meeting of Shareholders.

Independent directors

Independent directors promote opinions and judgements unaffected by relations with the Company's shareholders or executive bodies, as well as decision-making which benefits different shareholder groups.

The presence of independent directors enhances corporate governance at the Company. Independent members of the Board of Directors are actively involved in the activities of the Board Committees. In accordance with the requirements of the Moscow Exchange, independent directors head the Board of Directors' Audit Committee and Personnel and Remuneration Committee. The majority of members of the Board of Directors' Committees are also independent directors, which helps achieve a balanced and independent position on agenda items.

In the reporting period, Maxim Sokolov, a member of the Board of Directors, was recognised as an independent director by resolution of the Board of Directors (Minutes No. 2 dated 8 August 2019). The Board of Directors recognised that Maxim Sokolov's association with the state, a significant shareholder of PJSC Aeroflot, is formalistic and has no influence on his ability to make independent and objective judgements in good faith. On December 2019, he seized to be independent after he was appointed Vice Governor of Saint Petersburg.

Composition of the Board of Directors

As at 31 December 2019, PJSC Aeroflot's Board of Directors was comprised of the Chairman (non-executive director), one executive director, seven non-executive directors and two independent directors.

Members of the Board of Directors efficiently performed their functions and tasks throughout 2019 notwithstanding their service on boards of directors of other companies.

In the reporting year, no members of the Company's Board of Directors purchased, or disposed of, their shares in the Company.

Board of Directors of PJSC Aeroflot in 2019

Until 25 June (elected by resolution of the Extraordinary General Meeting of Shareholders on 23 October 2018)	Since 25 June (elected by resolution of the Annual General Meeting of Shareholders on 25 June 2019)
Evgeny Ditrich	Evgeny Ditrich
Mikhail Poluboyarinov	Mikhail Poluboyarinov
Mikhail Voevodin	Alexander Galushka
Igor Kamenskoy	Igor Kamenskoy
Roman Pakhomov	Maxim Liksutov
Dmitry Peskov	Dmitry Peskov
Vitaly Saveliev	Vitaly Saveliev
Vasily Sidorov	Vasily Sidorov
Yury Slyusar	Yury Slyusar
Maxim Sokolov	Maxim Sokolov
Sergey Chemezov	Sergey Chemezov

Changes in the Board of Directors

The following directors left the Board:

- Mikhail Voevodin – CEO of VSMPO-AVISMA Corporation
- Roman Pakhomov – CEO of Avia Capital Service

The following directors were elected to the Board:

- Alexander Galushka – Counsellor at the International Congress of Industrialists and Entrepreneurs (ICIE)
- Maxim Liksutov – Deputy Mayor of Moscow at the Moscow Government, Head of the Department for Transport and Road Infrastructure Development of Moscow

Other members of PJSC Aeroflot's Board of Directors were re-elected.

Membership of the Board of Directors

as at 31 December 2019



Evgeny Ditrich

Chairman of the Board of Directors,
Non-Executive Director

Member of PJSC Aeroflot's Board of Directors since 2018.

Born in 1973.

In 1996, graduated from the Moscow Engineering Physics Institute with a degree in Applied Mathematics. In 1999, graduated from the Higher School of Privatisation with a degree in Law.

From 1995 to 1998, Adviser, Deputy Division Head, Division Head at the State Committee for State Property Management of the Russian Federation.

From 1998 to 2004, Deputy Division Head, Division Head, Deputy Head of the Department of Normative and Methodological Support at the Russian Ministry of Property Relations.

From 2004 to 2005, Deputy Department Director at the Russian Ministry of Economic Development and Trade.

From 2005 to 2012, Deputy Head of the Federal Road Agency.

From 2012 to 2015, Deputy Director of the Department of Industry and Infrastructure of the Russian Government.

In 2015, Head of the Federal Service for Supervision of Transport.

From 14 October 2015 to 17 May 2018, First Deputy Minister of Transport of the Russian Federation.

Since 18 May 2018, Minister of Transport of the Russian Federation.

First Class State Adviser of the Russian Federation.

Awarded the Order of Honour; in 2017, received Letters of Acknowledgement from the President of the Russian Federation and from the Government of the Russian Federation, a lapel badge of the Honoured Worker of Transport of Russia, and other industry awards.

Owns no shares in PJSC Aeroflot.



Vitaly Saveliev

Chairman of the Management Board,
CEO

Member of PJSC Aeroflot's Board of Directors since 2009.

Born in 1954.

Holds degrees in mechanical engineering from the Kalinin Polytechnic Institute in Leningrad (1977) and from the Palmiro Togliatti Engineering and Economic Institute (1986).

Holds a PhD in Economic Sciences.

Vitaly Saveliev has been CEO of Aeroflot since 2009.

His previous positions include:

Deputy Head of Sevzapmetallurgmontazh (1984–1987)

Deputy Head of civil engineering at Glavleningradinzhstroi (1987–1989);

CEO of DialogInvest, a Soviet-US joint venture (1989–1993);

Chairman of the Management Board of Bank Rossiya (1993–1995);

Chairman of the Board of Bank Menatep St Petersburg (1995–2001);

Deputy Chairman of the Management Board of Gazprom (2001–2002);

Deputy Minister for Economic Development and Trade (2004–2007);

First Deputy President of AFK Sistema (2007–2009).

Holds a 0.121% shareholding in PJSC Aeroflot.



Mikhail Poluboyarinov

Deputy Chairman of the Board of Directors,
Non-Executive Director

Member of PJSC Aeroflot's Board of Directors since 2017.

Born in 1966.

In 1988, graduated from the Moscow Finance Institute with a degree in Finance and Credit. In 1998, graduated from the Plekhanov Russian Academy of Economics with a PhD in Economics majoring in Finance, Currency Circulation and Credit.

He is a member of the boards of directors of Leader and Rostelecom, and a member of the Supervisory Board of DOM.RF.

From 1990 to 1999, Chief Accountant and Financial Director at Avtoimport.

From 2000 to 2009, Chief Accountant, Deputy CEO of OJSC Aeroflot.

From 2009 to 2020, Director of the Infrastructure Department, Deputy Chairman of VEB.RF, First Deputy Chairman of the State Development Corporation VEB.RF.

Since 2020, CEO of the State Transport Leasing Company.

Awarded the title of the Honoured Economist of Russia and a Certificate of Honour of the Russian Ministry of Transport. For his contribution to the preparation of the XXII Winter Olympic Games and the XI Winter Paralympic Games in Sochi in 2014, Mikhail Poluboyarinov was awarded the Order of Honour.

Owns no shares in PJSC Aeroflot.



Maxim Liksutov

Non-Executive Director

Member of PJSC Aeroflot's Board of Directors since 2019.

Born in 1976.

In September 2012, appointed Deputy Mayor of Moscow at the Moscow Government and Head of the Department for Transport and Road Infrastructure Development of Moscow by a decree of the Mayor of Moscow.

In 2007, graduated from the Plekhanov Russian Academy of Economics with a degree in Finance and Credit. In 2012, graduated from International Law Institute with a degree in Business Management in 2012. In 2016, completed the Occupational Health and Safety programme at the Institute of International Standards of Accounting and Management.

Since December 2011, Head of the Department for Transport and Road Infrastructure Development of Moscow.

From April 2011, Adviser to the Mayor of Moscow on transport and road infrastructure development matters.

From 2009 to 2010, CEO of Aeroexpress.

From 2001 to 2011, member of the Board of Directors of TransGroup AC.

Awarded the title of the Honoured Worker of Transport of the Russian Federation in 2013, a Letter of Acknowledgement from the Chairman of the State Duma of the Russian Federation in 2016, the Order of Friendship in 2017, Certificates of Honour of the President of the Russian Federation and the Federal Treasury in 2018.

Owns no shares in PJSC Aeroflot.

Corporate Governance System continued

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CORPORATE GOVERNANCE

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Igor Kamensky

Independent Director
Head of the Strategy Committee, member
of the Audit Committee and the Personnel and
Remuneration Committee of the Board of Directors

Member of PJSC Aeroflot's Board of Directors since 2014.

Born in 1968.

In 1993, graduated from the Moscow State Pedagogical Institute with a degree in Russian Language and Literature.

Since 2014, Managing Director at Renaissance Broker.

From 2009 to 2014, Chairman of the Board of Directors of Renaissance Capital.

From 2002 to 2009, member of the Federation Council, Deputy Committee Chairman at the Federation Council.

From 2000 to 2002, Advisor to the Chairman of the State Duma of the Russian Federation.

In 1999, Vice President of ROSBANK.

From 1992 to 1998, Vice President of Soyuzcontract.

Owns no shares in PJSC Aeroflot.



Alexander Galushka

Non-Executive Director
Member of the Personnel and Remuneration
Committee and the Strategy Committee
of the Board of Directors

Member of PJSC Aeroflot's Board of Directors since 2019.

Born in 1975.

In 1997, graduated from the Moscow State Social University with a degree in Economics.

Graduated from the Plekhanov Russian Academy of Economics with degrees in Professional Assessment of Proprietary Subject Matters and Proprietary Rights, and Business Valuation.

Graduated from the Russian Presidential Academy of National Economy and Public Administration – the Top-Level Personnel Reserve Training Programme; completed an internship at the University of Edinburgh (UK), defended the project on the Strategy of Human Capital Preservation and Human Development in the Russian Federation until 2050.

Since 19 July 2019, Counsellor at the International Congress of Industrialists and Entrepreneurs (ICIE).

Since June 2019, member of the Board of Directors of Russian Agricultural Bank.

From 2013 to 2018, Minister of the Russian Federation for the Development of the Far East.

In 2013, during the elections of the Mayor of Moscow, he was nominated by Sergey Sobyenin as a candidate to the Federation Council.

In 2013, Co-Chairman of the headquarters of the All-Russian Popular Front.

In 2012, professor at the Higher School of Economics.

From 2010 to 2013, President of Business Russia, an all-Russian public organisation; member of the Supervisory Board of the Agency for Strategic Initiatives (ASI) and a number of expert councils under the President of the Russian Federation on economics, on modernisation and innovation, on national projects, and on demographic development.

From 1996 to 2013, engaged in entrepreneurship, social activities and teaching.

Awarded the Order of Honour for significant contribution to the social and economic development of the Russian Far East; the Stolypin Medal, 1st class, for merits in addressing strategic tasks of national social and economic development and for many years of conscientious work; a Letter of Acknowledgement from the President of the Russian Federation for providing expert and analytical support to the President; a Certificate of Honour of the Russian Government for significant personal contribution to the modernisation of the Russian economy; Letters of Acknowledgement from the Russian Government for substantial contribution to developing roadmaps of national entrepreneurship initiatives and creating a favourable investment environment in Russia, for preparation of the tax section of Russia's Strategy 2020 and leading the Fiscal Policy team under the Russian Government, and for significant personal contribution to the introduction and development of valuation in the Russian Federation.

Awarded the Order of Saint Equal-to-the-Apostles Grand Prince Vladimir, 3rd class, and numerous industry awards.

Owns no shares in PJSC Aeroflot.

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CORPORATE GOVERNANCE

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Dmitry Peskov

Non-Executive Director
Member of the Personnel and Remuneration
Committee and the Strategy Committee
of the Board of Directors

Member of PJSC Aeroflot's Board of Directors since 2014.

Born in 1975.

In 1998, graduated from Voronezh State University. In 1999, graduated with a Master's degree in Political Studies from the Moscow School of Social and Economic Sciences and the University of Manchester.

Member of the Government Expert Council, member of the Board of Directors of RVC.

Since 2011, Director of the Young Professionals programme at the Agency for Strategic Initiatives.

From 2009, Head of Strategic Initiatives at the All-Russian Exhibition Centre.

From 2000, led the strategy development exercise, chaired the Internet Policy Centre, and oversaw the establishment of the Russian International Studies Association at the Moscow State Institute of International Relations (MGIMO University). Last position held – Deputy Scientific Vice President, Innovation Director.

Owns no shares in PJSC Aeroflot.



Vasily Sidorov

Independent Director
Head of the Audit Committee, member
of the Personnel and Remuneration Committee
and the Strategy Committee of the Board
of Directors

Member of PJSC Aeroflot's Board of Directors since 2013.

Born in 1971.

In 1993, graduated from the Moscow State Institute of International Relations (MGIMO University) with a degree in International Public Law, and from the Wharton Business School of the University of Pennsylvania with a degree in Finance.

In 2016, was named Best Independent Director of the year at the award ceremony organised by PWC, Association of Independent Directors and Russian Union of Industrialists and Entrepreneurs.

Since 2012, CEO of Arida.

Since October 2019, member of the Board of Directors of Russian Post.

Since November 2018, member of the Board of Directors of AC Rus Media (publisher of Forbes Russia).

From 2012 to 2018, member of the Board of Directors of Russian Railways.

From 2010 to 2017, Managing Partner of EuroAtlantic Investments Ltd.

From 2006 to 2010, co-owner of Telecom Express Group.

From 2003 to 2006, President of MTS.

From 2000 to 2003, First Vice President of Sistema Telecom.

From 1997 to 2000, Deputy CEO of Svyazinvest.

Owns no shares in PJSC Aeroflot.

Corporate Governance System continued

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CORPORATE GOVERNANCE

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Yury Slyusar

Non-Executive Director
Member of the Strategy Committee
of the Board of Directors

Member of PJSC Aeroflot's Board of Directors since 2015.

Born in 1974.

In 1996, graduated from the Lomonosov Moscow State University with a degree in Law. In 2003, completed a post-graduate programme at the Academy of National Economy under the Government of the Russian Federation. PhD in Economics.

Since January 2015, President of United Aircraft Corporation.

In 2012, was appointed Deputy Minister of Industry and Trade of the Russian Federation.

In 2010, Director of the Aviation Industry Department at the Russian Ministry of Industry and Trade.

In 2009, was appointed Assistant to the Minister of Industry and Trade of the Russian Federation.

From 2003, Commercial Director at Russian Helicopters, Rostov-on-Don.

Until 2003, worked with various business entities.

Owns no shares in PJSC Aeroflot.



Maxim Sokolov

Non-Executive Director
Head of the Personnel and Remuneration
Committee, member of the Audit Committee and
the Strategy Committee of the Board of Directors

Member of PJSC Aeroflot's Board of Directors since 2018.

Born in 1968.

In 1991, graduated from the Department of Economics of Saint Petersburg State University with a degree in Political Economy. PhD in Economics.

From 1991 to 1993, lecturer at the Department of Economics of Saint Petersburg State University.

From 1992 to 1993, commercial agent at Frezi Grant.

From 1993 to 1999, CEO of ROSSI. From 1999 to 2004, CEO of Corporation S.

From 2004 to 2009, Chairman of the Committee for Investments and Strategic Projects of the Government of Saint Petersburg.

In 2009, member of the Government of Saint Petersburg, Chairman of the Committee for Economic Development, Industrial Policy and Trade. From 2009 to 2012, Director of the Department of Industry and Infrastructure of the Russian Government.

From 2012 to 2018, Minister of Transport of the Russian Federation.

From 2018 to 2019, CEO, Chairman of the Executive Committee and a member of the Board of Directors of LSR Group.

Since 2018, member of the boards of directors of JSC Zarubezhneft and PJSC Transneft.

Since December 2019, Vice Governor of Saint Petersburg.

Second Class State Adviser of the Russian Federation.

Awarded the 4th class Order for Service to the Motherland, the Order of Honour, a Medal of the Order For Merit to the Fatherland, 2nd class, a Certificate of Honour of the President of the Russian Federation, a Letter of Acknowledgement from the President of the Russian Federation, a lapel badge of the Honoured Worker of Transport of Russia.

Owns no shares in PJSC Aeroflot.



Sergey Chemezov

Non-Executive Director

Member of PJSC Aeroflot's Board of Directors since 2011.

Born in 1952.

Graduated from the Irkutsk Institute of National Economy, completed advanced courses at the Military Academy of the General Staff of the Russian Armed Forces. Doctor of Economics, Professor, full member of the Academy of Military Science.

Chairman of the boards of directors of Rosoboronexport, VSMPO-AVISMA Corporation, KAMAZ and Uralkali.

Member of the boards of directors of International Financial Club . Member of the Supervisory Board of Rostec State Corporation.

Since December 2007, CEO of Rostec State Corporation.

From 2004 to 2007, CEO of Rosoboronexport.

From 2001 to 2004, First Deputy CEO of Rosoboronexport.

From 1999 to 2001, CEO of Promexport.

From 1996 to 1999, Head of Foreign Economic Relations at the Directorate of the President of the Russian Federation.

From 1988 to 1996, Deputy CEO of Sovintersport.

From 1980, worked at Luch Scientific Production Association and headed its representative office in East Germany from 1983 to 1988.

Started his career at the Irkutsk Research Institute of Noble and Rare Metals and Diamonds.

Member of the Bureau of the Supreme Council of the United Russia Party. Chairman of the Union of Machine Engineers of Russia. President of the Union of Machine Engineers of Russia. Head of the Department of Military and Engineering Cooperation and High-Tech at the Moscow State Institute of International Relations (MGIMO University).

Recipient of high government awards and winner of a large number of other prestigious awards.

Owns no shares in PJSC Aeroflot.

Executive Secretary of the Board of Directors



Alexey Melyokhin

Executive Secretary of the Board of Directors

Born in 1977.

In 2001, graduated from the Institute of Economics and Entrepreneurship. Obtained a PhD from the Russian Presidential Academy of Public Administration.

Joined PJSC Aeroflot in 1998. Held a number of positions from a legal counsel at the regulations drafting and alignment team of the Company's Administration to Director of the Corporate Governance Department.

Owns no shares in PJSC Aeroflot.

The Executive Secretary of the Board of Directors is responsible for the administrative and information support of the Company's Board of Directors and General Meeting of Shareholders, and supervises compliance by the Company's bodies and officers with corporate governance rules and procedures stipulated by the Russian laws, the Company's Articles of Association and internal documents.

The proceedings of the Executive Secretary are governed by the Regulations on the Executive Secretary and the Office of the Board of Directors of PJSC Aeroflot.

The functions and powers of the Executive Secretary acting as a corporate secretary comply with the recommendations of the Russian Corporate Governance Code.

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CORPORATE GOVERNANCE

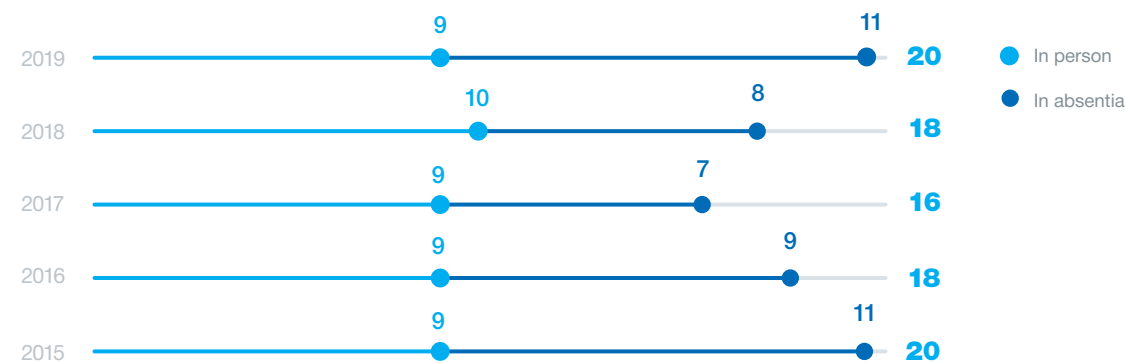
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Corporate Governance System continued

Board of Directors performance report for 2019

In 2019, PJSC Aeroflot's Board of Directors held 20 meetings, including 9 in person and 11 in absentia, which addressed over 170 matters and passed about 400 resolutions.

Number of meetings held by the Board of Directors



Directors attendance at Board and Committee meetings in 2019

Member of the Board of Directors	Status	Board of Directors	Audit Committee	Personnel and Remuneration Committee	Strategy Committee
Evgeny Ditrich	Chairman of the Board of Directors	20(11)/20			
Mikhail Voevodin*	Non-Executive Director	12(10)/12		4(1)/4	7(1)/7
Alexander Galushka**	Non-Executive Director	8(3)/8		4(1)/4	4/4
Igor Kamenskoy	Independent Director	20(11)/20	12(1)/12	9(2)/9	11(1)/11
Maxim Liksutov**	Non-Executive Director	8(4)/8			
Roman Pakhomov*	Non-Executive Director	12(8)/12	7(1)/7		7(1)/7
Dmitry Peskov	Non-Executive Director	20(12)/20		5(2)/5	11(3)/11
Mikhail Poluboyarinov	Non-Executive Director	20(12)/20			
Vitaly Saveliev	Executive Director	20(11)/20			
Vasily Sidorov	Independent Director	20(11)/20	12(1)/12	9(2)/9	11(1)/11
Yury Slyusar	Non-Executive Director	20(14)/20			11(11)/11
Maxim Sokolov	Non-Executive Director***	20(11)/20	5/5	5(1)/5	11(2)/11
Sergey Chemezov	Non-Executive Director	20(15)/20			

Note. Data format: the number of meetings attended by the member of the Board of Directors/the total number of meetings held in 2019. Attendance through written opinions or questionnaires (for meetings held in absentia) is shown in brackets.

* Member of the Board of Directors until 25 June 2019.

** Member of the Board of Directors since 25 June 2019.

*** Independent director from August to December 2019.

Key matters discussed by the Board of Directors in 2019

Strategy

- Flight safety
- Implementation of Aeroflot Group's strategy
- Implementation of Aeroflot Group's Long-Term Development Programme and KPIs achievement
- Progress of strategic partnership promotion
- Implementation of Aeroflot Group's Innovative Development Programme
- IT development
- Implementation of Aeroflot Group's marketing strategy
- Customer service enhancement

Finance

- Annual accounting statements, including the income statement
- Consolidated budget
- Auditors' reports following the audit of RAS and IFRS statements
- Operational KPIs forecast
- Non-aviation revenues
- Sponsorship and philanthropy
- Profit distribution, including dividend payout
- Procurement
- Approval of auditors for RAS and IFRS statements
- Risk management system
- Review of the Internal Audit Department's report
- Review of materials and the opinion of the Revision Committee
- Shareholder and investor relations

Corporate governance and HR

- Corporate governance at PJSC Aeroflot
- Performance of the Board of Directors and its Committees
- Changes in the membership of the Management Board
- Incentive system
- Dividends from subsidiaries
- Preparation for the next Annual General Meeting of Shareholders
- PJSC Aeroflot Annual Report
- Remuneration of members of the Board of Directors, its Committees and the Revision Committee

Transactions

- Aircraft lease transactions
- Approval of interested party transactions

In its resolutions, the Board of Directors covers a number of priority areas to:

- ensure flight safety
- determine Aeroflot Group's strategy and identify priority business segments
- build and maintain effective internal controls and risk management
- map out a development strategy for Aeroflot Group's aircraft fleet and route network
- improve operating, financial and marketing practices through upgrades, innovation and implementation of best practices from global peers
- improve the performance of Aeroflot's branches and representative offices both domestically and internationally
- enforce higher standards for airport and in-flight passenger services, expand the service mix and improve customer experience
- promote cooperation with SkyTeam partners, use the membership to expand the Company's route network and boost the international flight performance
- promote strategic partnerships with airlines across key geographies
- improve operational performance of subsidiaries and streamline the non-core asset structure to cut unnecessary spending and increase returns on investments
- develop and upgrade information technologies
- ensure information transparency, including procurement
- enhance shareholder and investor relations
- develop and improve corporate policies.

Committees of the Board of Directors

To improve the effectiveness of resolutions passed by the Board of Directors, ensure more detailed preliminary discussions of the most important matters and prepare relevant recommendations, PJSC Aeroflot has three dedicated Committees of the Board of Directors:

- Audit Committee
- Personnel and Remuneration Committee
- Strategy Committee

The Board of Directors' Committees are elected by the Board of Directors and act in compliance with relevant Committee Regulations approved by the Company's Board of Directors. The Committees act as per the Board's resolutions and activity plans based on the Board's activity plan.

The Board of Directors' Committees held 11 meetings in person in 2019, including joint meetings, and two meetings in absentia, reviewed matters related to Aeroflot Group's business and prepared detailed recommendations and proposals to the Company's Board of Directors and Management Board.

Audit Committee

The Audit Committee of the Board of Directors supervises the Company's financial and business operations to protect shareholder interests and ensure the growth of the Company's assets. Coordinating with the Company's executive bodies, the Revision Committee and the Internal Audit Department, the Audit Committee prepares and submits for consideration by the Board of Directors recommendations and proposals on relevant matters.

In 2019, the Audit Committee held a total of 12 meetings, including one meeting held in absentia. The Committee's meeting agendas were compiled in line with the Committee's activity plan approved by the first post-election meeting, and reflected the instructions of the Board of Directors.

Key matters discussed in 2019:

- Performance against Aeroflot Group's consolidated budget targets
- Aeroflot Group's and PJSC Aeroflot's budgets
- Initiatives to reduce Aeroflot Group's operating costs
- Improvement of internal audit at Aeroflot Group
- Auditors' reports on the financial and business audit results under RAS and IFRS
- Reports on audits conducted by the Internal Audit Department
- Shareholder and investor relations
- Procurement
- Transactions related to the aircraft fleet
- Extending and restructuring of loans
- Internal documents.

Membership of the Audit Committee

(elected by resolution of the Board of Directors on 8 August 2019)

1. Vasily Sidorov – Head of the Committee, Independent Director
2. Igor Kamenskoy – Independent Director
3. Maxim Sokolov – Non-Executive Director (Independent Director until December 2019)

Roman Pakhomov was a member of the Audit Committee until 25 June 2019.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee promotes the development of the HR policy, supervises matters concerning the Company's organisational structure, selection and assessment of persons appointed to the Company's governing bodies, their remuneration, and the remuneration system.

In 2019, the Personnel and Remuneration Committee held a total of 11 meetings, including one meeting held in absentia. The Committee's meeting agendas were compiled in line with the Committee's activity plan approved by the first post-election meeting, and reflected the instructions of the Board of Directors.

- Remuneration of the Company's management, members of the Board of Directors and the Revision Committee, Long-Term Incentive Programme, and Long-Term Incentive Programme for members of the Board of Directors
- CEO and management KPIs
- Aeroflot Group's Long-Term Development Programme KPIs
- The Company's organisational structure
- Consideration of proposals and preparation of recommendations on nominees to PJSC Aeroflot's Board of Directors and Revision Committee representing the interests of the state in 2020/2021 corporate year
- Assessment of independence of nominees to the Company's Board of Directors against the relevant criteria
- Internal documents.

1. Maxim Sokolov – Head of the Committee, Non-Executive Director (Independent Director until December 2019)
2. Igor Kamenskoy – Independent Director
3. Vasily Sidorov – Independent Director
4. Alexander Galushka – Non-Executive Director
5. Dmitry Peskov – Non-Executive Director

Mikhail Voevodin was a member of the Personnel and Remuneration Committee until 25 June 2019.

Strategy Committee

The Strategy Committee was set up to prepare recommendations and proposals to the Board of Directors, enhancing the Company's performance and improving its long-term strategy.

In 2019, the Strategy Committee held a total of 11 meetings, including one meeting held in absentia. The Committee's meeting agendas were compiled in line with the Committee's activity plan approved by the first post-election meeting, and reflected the instructions of the Board of Directors.

- Implementation and update of Aeroflot Group's Long-Term Development Programme
- Implementation of Aeroflot Group's marketing strategy
- IT development strategy
- Development of subsidiary airlines
- Results of Aeroflot Group's Innovative Development Programme
- Aircraft fleet expansion
- Internal documents.

1. Igor Kamenskoy – Head of the Committee, Independent Director
2. Maxim Sokolov – Non-Executive Director (Independent Director until December 2019)
3. Vasily Sidorov – Independent Director
4. Dmitry Peskov – Non-Executive Director
5. Alexander Galushka – Non-Executive Director
6. Yury Slyusar – Non-Executive Director
7. Andrey Panov – Deputy CEO for Strategy, Service and Marketing
8. Andrey Chikhanchin – member of the Management Board, Deputy CEO for Commerce and Finance
9. Roman Pakhomov – CEO of Avia Capital Services
10. Evgeny Stolyarov – Director of the Property Relations and Territorial Planning Department at the Ministry of Transport of the Russian Federation

Mikhail Voevodin, a member of the Board of Directors, and Vadim Zingman, Deputy CEO for Customer Relations, were members of the Strategy Committee until 25 June and 8 August 2019, respectively.

Management Board and CEO

PJSC Aeroflot's sole executive body, the CEO, and collective executive body, the Management Board, are charged with running the Company's day-to-day operations. The executive bodies report directly to the Board of Directors and the General Meeting of Shareholders.

The CEO also acts as the Chairman of the Management Board and represents the interests of the Company without power of attorney, acting in compliance with PJSC Aeroflot's Articles of Association. The CEO is elected by the Board of Directors for a maximum term of five years.

Vitaly Saveliev has been PJSC Aeroflot's CEO since April 2009; in August 2018, the Board of Directors resolved to extend his term of office until 2023.

The Board of Directors is authorised to appoint members of the Management Board and remove them from office before the end of their term. The Management Board acts in compliance with PJSC Aeroflot's Articles of Association and Regulations on the Management Board of PJSC Aeroflot.

The scope of authority of PJSC Aeroflot's executive bodies covers all matters pertaining to management of the Company's day-to-day operations, except for those reserved to the General Meeting of Shareholders or the Board of Directors.

Changes in the membership of PJSC Aeroflot's Management Board in the reporting period were as follows:

- Vadim Zingman, Deputy CEO for Customer Relations, left the Management Board on 8 August 2019
- The size of the Management Board was reduced to nine members

In the reporting period, members of the Management Board did not enter into transactions with PJSC Aeroflot shares.

Membership of the Management Board

as at 31 December 2019



Vitaly Saveliev

Chairman of the Management Board, CEO

Born on 18 January 1954.

In 1977, graduated from Leningrad Polytechnic Institute (Saint Petersburg Polytechnic University).

In 1986, graduated from the Leningrad Institute of Engineering and Economics (the Saint Petersburg State University of Economics).

PhD in Economics.

From 1977, was engaged in the construction of the Sayano-Shushenskaya HPP, worked his way up from an engineer to the chief structural engineer in one of the KrasnoyarskGESstroy associations.

From 1984, Deputy Head of All-Union Trust Sevzapmetallurgmontazh.

From 1987, Deputy Head of Chief Directorate at Glavleningradzhstroy.

From 1989, President of the US-Russian joint venture DialogInvest.

From 1993, Chairman of the Management Board of BANK ROSSIYA.

From 1995, Chairman of the Management Board of Bank MENATEP Saint Petersburg.

From 2001, Deputy Chairman of the Management Board of Gazprom.

From 2004, Deputy Minister of Economic Development and Trade of the Russian Federation.

From 2007, First Vice President of PJSFC Sistema.

Since 2009, current position.

Awarded the Order "For Merit to the Fatherland", 4th class, the Order of Alexander Nevsky, the Order of Honour, the Order of Friendship, a Letter of Acknowledgement from the President of the Russian Federation, numerous medals and industry awards.

Holds a 0.121% shareholding in PJSC Aeroflot.



Vladimir Antonov

First Deputy CEO for Operations

Born in 1953.

In 1975, graduated from Moscow Railway Engineering Institute.

From 1977 to 1995, served in the armed forces.

From 1995 to 2018, Deputy CEO for Economic and Aviation Safety, Deputy CEO for Aviation Safety, Deputy CEO for Aviation and Operating Safety, First Deputy CEO for Operations, and First Deputy CEO for Aviation Safety at PJSC Aeroflot.

Since 2018, First Deputy CEO for Operations at PJSC Aeroflot.

Awarded a Medal of the Order For Merit to the Fatherland, 2nd class, and the title of the Distinguished Worker of Transport of Russia, received a Letter of Acknowledgement from the President of the Russian Federation, a Pavel Melnikov Medal, a lapel badge of the Honoured Worker of Transport of Russia, as well as other government and industry awards.

Holds a 0.000425% shareholding in PJSC Aeroflot.



Vasily Avilov

Deputy CEO for Administrative Management

Born in 1954.

Graduated from Dzerzhinsky Higher Naval Engineering College. From 1971 to 1983, served in the armed forces of the USSR.

From 1983 to 1994, worked at the Ministry of Foreign Economic Relations of the USSR.

From 1994 to 1997, worked at the Office of the Security Council of the Russian Federation.

Captain 1st rank and a Third Class State Adviser of the Russian Federation.

From 1997 to 2013, Head of Administration, Deputy CEO – Executive Director at PJSC Aeroflot.

Since 2013, Deputy CEO for Administrative Management at PJSC Aeroflot.

Awarded Medals of the Order "For Merit to the Fatherland", 1st class and 2nd class, a Medal "For Battle Merit", a Certificate of Honour and a Letter of Acknowledgement from the President of the Russian Federation, and other ministry and industry awards.

Holds a 0.000002% shareholding in PJSC Aeroflot.

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CORPORATE GOVERNANCE

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Vladimir Aleksandrov

Deputy CEO for Legal and Property Matters

Born in 1984.

In 2005, graduated from Moscow State Law University. In 2016, graduated from the Russian Presidential Academy of National Economy and Public Administration (RANEPA).

Held senior positions at the Prosecutor General's Office of the Russian Federation and the Investigative Committee of the Russian Federation.

Joined PJSC Aeroflot in 2013.

Since July 2016, Deputy CEO for Legal and Property Matters at PJSC Aeroflot.

Awarded a Medal of the Order "For Merit to the Fatherland", 2nd class, and a Letter of Acknowledgement from the Minister of Transport of the Russian Federation.

Owns no shares in PJSC Aeroflot.



Kirill Bogdanov

Deputy CEO for Information Technologies

Born in 1963.

Graduated from Leningrad Polytechnic Institute.

From 1992 to 1993, lead specialist at Kredobank. From 1993 to 1995, lead programmer at BANK ROSSIYA.

From 1996 to 2002, Head of Industrial Control System and Programming at Bank MENATEP Saint Petersburg.

In 2002, Head of the Department of Automation, Information Technology and Telecommunications at Gazprom.

From 2002 to 2004, Adviser to the Vice President at United Company GROS.

From 2004 to 2007, Executive Director at RAMAX International.

From 2007 to 2009, Director of Development and Control, Telecom Assets, at PJSFC Sistema.

Holds 27 patents for IT solutions.

Joined PJSC Aeroflot in 2009.

Awarded a Medal of the Order "For Merit to the Fatherland", 2nd class, a Letter of Acknowledgement from the President of the Russian Federation, and a Pyotr Gubonin Medal.

Owns no shares in PJSC Aeroflot.



Georgy Matveev

Director of Safety Management

Born in 1953.

Graduated from the Academy of Civil Aviation. PhD in Technical Sciences.

From 1973 to 1991, co-pilot, pilot in command, Deputy Air Squadron Commander, Acting Head of Flight Management at the Latvian Civil Aviation Department.

From 1991 to 1995, chief pilot, Director for Flight Operations at Latvian Airlines.

From 1998 to 2001, pilot, B737 pilot in command, pilot inspector at the Flight Safety Inspectorate at Transaero Airlines.

Since 2001, he has been working at PJSC Aeroflot as Deputy Chief Flight Safety Inspector and Deputy Director of Safety Management.

Since July 2012, Director of Safety Management.

Awarded a Medal of the Order "For Merit to the Fatherland", 2nd class, the honorary title of the Distinguished Pilot of the Russian Federation, an Air Transport Excellence lapel badge, and other ministry and industry awards.

Owns no shares in PJSC Aeroflot.



Igor Parakhin

Deputy CEO – Technical Director

Born in 1961.

Graduated from the Moscow Institute of Civil Aviation Engineers.

From 1984 to 1991, worked at the Central Administration of International Air Traffic.

From 1991 to 2001, worked at PJSC Aeroflot starting from the position of an aircraft maintenance technician.

From 2001 to 2011, Deputy Director of the Aviabusiness Higher Commercial School. Joined PJSC Aeroflot in 2011.

Awarded a Medal of the Order "For Merit to the Fatherland", 2nd class, and a Letter of Acknowledgement from the President of the Russian Federation.

Owns a 0.000007% shareholding in PJSC Aeroflot.



Igor Chalik

Deputy CEO – Commander of Flight Operations

Born in 1957.

Graduated from the Aktyubinsk Higher School of Civil Aviation.

After graduation, he was employed by a Syktyvkar airline where he flew the Tu-134 aircraft.

In 1983, joined the Central Administration of International Air Traffic (now Aeroflot). Flew the Tu-134, Il-86, A310, and A320 aircraft.

Since 2008, he has been flying the A330 aircraft, with flight hours totalling about 14 thousand hours.

From 2003 to 2008, Commander of the A320 Air Squadron at PJSC Aeroflot.

From 2008 to 2010, Commander of the A330 Air Squadron at PJSC Aeroflot.

Since 2011, Deputy CEO – Commander of Flight Operations at PJSC Aeroflot.

Distinguished Pilot of the Russian Federation, awarded a Medal "In Commemoration of the 850th Anniversary of Moscow" and a commemorative badge for the 85th Anniversary of Civil Aviation.

Awarded the honorary title of the Distinguished Pilot of the Russian Federation, a Nesterov Medal, and other ministry and industry awards.

Owns a 0.000117% shareholding in PJSC Aeroflot.



Andrey Chikhanchin

Deputy CEO for Commerce and Finance

Born in 1982.

In 2004, graduated from the Academy of Budget and Treasury of the Russian Ministry of Finance. PhD in Economics.

From 2003 to 2008, held positions in finance and economic planning at several companies and organisations in various industries.

From 2008 to 2009, project manager at State Corporation Bank for Development and Foreign Economic Affairs.

From 2009 to 2018, Deputy Director, Director of the Corporate Finance Department at PJSC Aeroflot.

Since September 2018, Deputy CEO for Commerce and Finance at PJSC Aeroflot.

Has a Letter of Acknowledgement from the Minister of Transport of the Russian Federation.

Owns no shares in PJSC Aeroflot.

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Management Board report for 2019

To develop recommendations and proposals for the Management Board aimed at boosting the Company's performance, PJSC Aeroflot has in place a number of collective advisory bodies:

→ The Committee

for Finance and Investments

is responsible for planning and rational use of financial resources, including budgeting, investments, M&A transactions, and risk management

→ The Committee

for Innovative Development

is responsible for implementation and evaluation of innovative solutions and intellectual property rights management

→ The Committee

for Digital Technologies

is responsible for analysis of strategic areas and projects related to digital technologies, including data security projects

→ The Committee

for Revenue Contracts

is responsible for ensuring the economic efficiency of new revenue contracts (agency agreements for ticket sales)

In 2019, the Management Board of PJSC Aeroflot held a total of 40 meetings, including 17 meetings in absentia, and discussed over 300 matters related to the Company's day-to-day operations, including:

- flight safety
- route network expansion
- fleet development
- IT development
- customer service enhancement
- on-time performance
- implementation of the Growth Strategy, Long-Term Development Programme, and Innovative Development Programme
- Aeroflot Group's consolidated budget
- charitable support for a number of institutions
- sponsorship and cooperation initiatives.

Remuneration of members of the Board of Directors and the management

The Company has in place a structured remuneration system for members of the governing bodies designed to link the remuneration amount to the achievement of short-term targets, and align the long-term interests of the Company's shareholders and management. Short-term incentive is provided in the form of quarterly and annual bonuses while long-term incentive implies payments based on the achievement of the Company's strategic goals in line with current long-term incentive programmes for members of the Board of Directors and the Company's management.

Remuneration of members of the Board of Directors

Guidelines for Board remuneration calculation and payouts are set forth in the Regulations on Remuneration and Compensations Payable to Members of the Board of Directors of PJSC Aeroflot, developed in line with the Federal Law On Joint Stock Companies, other applicable regulations of the Russian Federation, and the Company's internal documents. The Regulations were approved by PJSC Aeroflot's General Meeting of Shareholders on 25 June 2019.

The Board remuneration system comprises a fixed component and the Long-Term Incentive Programme (a variable component). The size of the fixed component depends on the involvement of members of PJSC Aeroflot's Board of Directors in the activities of the Board and its committees, and includes the fixed base pay and additional payments for discharging extra duties. The variable remuneration component is directly linked to the achievement of the Company's strategic goals and delivery on targets set

by Aeroflot Group's Strategy 2023 and Aeroflot Group's Long-Term Development Programme for 2019–2023.

The Long-Term Incentive Programme for members of PJSC Aeroflot's Board of Directors for the period from 1 January 2019 to 31 December 2020 is aimed at aligning the interests of the Company and its shareholders with the interests of Board members by entitling Board members participating in the Long-Term Incentive Programme to a bonus linked directly to the achievement of strategic targets and delivery on targets set by Aeroflot Group's Strategy 2023 and Aeroflot Group's Long-Term Development Programme for 2019–2023.

The Long-Term Incentive Programme for 2019–2020 is based on reaching the target levels across the following indicators:

- Aeroflot Group's passenger traffic
- The share of international transfer traffic in Aeroflot Group's total passenger traffic
- Aeroflot Group's RASK.

The Long-Term Incentive Programme covers two periods:

- The interim period – one calendar year, from 1 January to 31 December 2019
- The period of the Long-Term Incentive Programme – two calendar years from 1 January 2019 to 31 December 2020.

Remuneration procedure:

- 2/3 of the remuneration for the interim period are paid out no later than 30 days after the General Meeting of Shareholders that resolved to pay the remuneration
- 1/3 is set aside until the end of the Long-Term Incentive Programme and is included in the final payment under

the Long-Term Incentive Programme determined based on the achievement of targets set by the Long-Term Incentive Programme at the end of the Long-Term Incentive Programme's period.

Management remuneration

The remuneration system designed for the management and the other staff enables the Company to engage and retain highly qualified professionals. Remuneration for the management is comprised of the fixed component (basic salary) and the variable component (current bonuses and long-term incentives).

Current bonuses depend on the Group-wide performance and are calculated in accordance with the Company's KPI-based employee bonus system. The KPI-based employee bonus system is formalised by the Regulations on Bonus Payments to the Managers and Specialists of PJSC Aeroflot. The Regulations stipulate that the bonus component of the management compensation amount shall depend on their quarterly and annual performance against the KPIs approved for the relevant reporting period.

To provide long-term incentives for PJSC Aeroflot's management, the Long-Term Incentive Programme for 2019–2020 was approved by the Board of Directors on 28 November 2019. The Programme covers the CEO, members of the Management Board, Deputy CEOs, department heads, Chief Accountant, and other employees of the Company, as resolved by the CEO.

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The 2019–2020 Long-Term Management Incentive Programme draws on the following underlying metrics: Aeroflot Group's passenger traffic; the share of international transfer traffic in Aeroflot Group's total passenger traffic; development of regional traffic.

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The Long-Term Incentive Programme covers two periods:

- The interim period – one calendar year, from 1 January to 31 December 2019
- The period of the Long-Term Incentive Programme – two calendar years from 1 January 2019 to 31 December 2020.

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Remuneration procedure:

- 2/3 of the remuneration for the interim period are paid out no later than 60 days after the Board of Directors approves the Company's interim results
- 1/3 is set aside until the end of the Long-Term Incentive Programme and is included in the final payment under the Long-Term Incentive Programme determined based on the achievement of targets set by the Long-Term Incentive Programme at the end of the Long-Term Incentive Programme's period.

Remuneration paid to members of PJSC Aeroflot's Management Board in 2019

Remuneration type	Amount, RUB
Salary and additional compensations	434,388,747
Bonuses	240,753,901
TOTAL	675,142,648

Remuneration of the Board of Directors and the Management Board in 2019

On 25 June 2019, the Annual General Meeting of Shareholders resolved to approve the amount of remuneration payable to members of PJSC Aeroflot's Board of Directors.

Remuneration payable to members of PJSC Aeroflot's Board of Directors following the completion of the Long-Term Incentive Programme for the period from 1 January 2016 to 30 September 2018 totalled RUB 186,381,100.

The amount of individual fixed remuneration payable to members of PJSC Aeroflot's Board of Directors under the Regulations on Remuneration and Compensations Payable to Members of the Board of Directors of PJSC Aeroflot for the period from 1 July 2018 to 30 June 2019 totalled RUB 76,198,909.

The remuneration (salary, additional compensations, and bonuses) paid to members of PJSC Aeroflot's Management Board in 2019 totalled RUB 675,142,648 (in 2018, the remuneration totalled RUB 1,428,162,020, including payments under the profit-sharing plan, unavailable in the reporting period).

Remuneration of members of PJSC Aeroflot's Board of Directors for the period from 1 July 2018 to 30 June 2019

Member of the Board of Directors	Amount, RUB
Lars Erik Bergstrom	2,436,000
Mikhail Voevodin	8,400,000
Alexey Germanovich	2,436,000
Igor Kamenskoy	10,380,000
Dmitry Peskov	7,596,000
Evgeny Ditrich	Not applicable
Mikhail Poluboyarinov	7,080,000
Vitaly Saveliev	Not applicable
Roman Pakhomov	9,144,000
Vasily Sidorov	10,380,000
Maxim Sokolov	5,256,000
Yury Slyusar	7,090,909
Sergey Chemezov	6,000,000
TOTAL	76,198,909

Directors and officers liability insurance

As part of its efforts to provide insurance protection, PJSC Aeroflot has signed an agreement for liability insurance of the Company's directors and officers, as well as representatives of PJSC Aeroflot serving on governing bodies of its subsidiaries, providing for reimbursement for loss caused to third parties, arising from claims filed by third parties against the insured due to their wrongful acts committed in their management roles. A securities claim filed against the Company also constitutes an insured event.

Internal control and audit

Aeroflot Group has a centralised internal audit function headed by the Director of the Internal Audit Department who functionally reports to PJSC Aeroflot's Board of Directors and its Audit Committee.

The Company's controlled entities either rely for internal audit on PJSC Aeroflot's Internal Audit Department or have their own internal audit unit or a permanent internal auditor, depending on the scale of their business and related risks. Heads of such units and internal auditors of the controlled entities functionally report to the Director of the Internal Audit Department of PJSC Aeroflot.

The internal control systems are designed to maximise Aeroflot Group's transparency, economic efficiency and compliance with applicable laws in all aspects of operations.

Audit Committee and its role

The Audit Committee of PJSC Aeroflot's Board of Directors is intended to enhance supervision over financial and business operations to optimise capital expenditure, protect shareholder interests and support the growth of Aeroflot Group's assets.

Coordinating with PJSC Aeroflot's executive bodies, the Revision Committee and the Internal Audit Department, the Audit Committee prepares and submits for consideration by the Board of Directors recommendations and proposals to:

- develop and ensure the implementation of the business plan
- establish and ensure compliance with effective internal controls
- ensure effective and transparent governance at Aeroflot Group, including prevention and termination of abuse by executive bodies and officers
- prevent, identify and control conditions giving rise to financial and operational risks
- ensure fairness of financial data used or disclosed by PJSC Aeroflot
- other matters, as may be resolved by PJSC Aeroflot's Board of Directors.

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PJSC Aeroflot's Board of Directors approves internal documents regulating its general policy on risk management and internal controls and establishes the principles of, and approaches to, the risk management and internal control system in Aeroflot Group.

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Risk management and internal control systems performance assessment is regularly discussed by the Audit Committee of the Board of Directors based on the reports by the Company's Internal Audit Department. When conducting audits, the Internal Audit Department draws conclusions on the performance of the risk management and internal control systems for each audited entity. To make risk management across PJSC Aeroflot's key business processes more effective, reports on the Company's key risks are submitted to the Audit Committee of the Board of Directors on a monthly basis.

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Hotline

PJSC Aeroflot has the Hotline, a corporate vehicle of confidential reporting to the Board of Directors (its Audit Committee). The Hotline operates on a confidential and anonymous basis.

The Hotline is used to:

- report violations of applicable laws or Aeroflot Group's executive documents and regulations on insider information and antifraud and anti-corruption policies by any employee and/or any member of the governing bodies or the body that supervises Aeroflot Group's financial and business operations
- report violations of the Corporate Conduct Code of PJSC Aeroflot
- make proposals on the improvement of internal controls (including anti-corruption procedures).

The Hotline is supported by the Internal Audit Department which accumulates and processes the reports, conducts investigations and inspections, with expert support where necessary, reviews proposals for improving internal control procedures, involving other business units if needed, informs the stakeholders about the investigation and inspection outcomes and prepares consolidated reports for the Audit Committee of the Board of Directors and the CEO of PJSC Aeroflot.

A report on these matters can be submitted through the Feedback section of the Company website aeroflot.ru/feedback?preferredLanguage=en

A total of 373 Hotline reports were reviewed by the Internal Audit Department in 2019. Where required, internal investigations were conducted and measures taken to prevent offences and enhance Aeroflot Group's internal controls.

Internal and external audit performance assessment by the Audit Committee in 2019

The Internal Audit Department regularly reports to the Audit Committee of PJSC Aeroflot's Board of Directors on the progress under its activities plan, audits conducted, execution of the Department's recommendations and operation of the Hotline.

The Audit Committee reviews, on an annual basis, the results of external audit of PJSC Aeroflot's accounting (financial) statements prepared under the RAS, and, on a quarterly basis, of the consolidated financial statements prepared under the IFRS.

Internal Audit Department

The Internal Audit Department is an independent business unit established to provide PJSC Aeroflot's governing bodies with independent and reliable assurance and advice to enhance the operations of PJSC Aeroflot and Aeroflot Group companies by applying a holistic and consistent approach to the assessment and improvement of risk management, internal control and corporate governance processes performance.

Aeroflot Group ensures independence and objectivity of its internal audit by managing its reporting lines: the Director of the Internal Audit Department functionally reports to PJSC Aeroflot's Board of Directors and its Audit Committee, and administratively reports to PJSC Aeroflot's CEO.

In its activities, the Department is guided by the International Standards for the Professional Practice of Internal Auditing and the underlying principles of independence, objectivity, proficiency and professional care. The purpose of the Internal Audit Department is to support the economic efficiency and effectiveness of PJSC Aeroflot, achievement of financial and operational targets, asset integrity, fair presentation of information on the Company's financial and business operations and compliance with applicable laws.

PJSC Aeroflot's Internal Audit Department won the Internal Auditor of the Year national award as

- The Internal Audit Service of the Year
- Head of Internal Audit Service of the Year
- Internal Auditor of the Year.

It was for the first time in the history of the award that the same company was a winner in all categories. The award has been established by the Institute of Internal Auditors and co-founded by the Russian Union of Industrialists and Entrepreneurs and Moscow Exchange.

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Corporate Governance System continued

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PJSC Aeroflot carried out the following initiatives in 2019 to optimise auditing and ensure compliance with the International Standards for the Professional Practice of Internal Auditing:

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- Developed and obtained approval by the Audit Committee of PJSC Aeroflot's Board of Directors of Internal Audit Department's Development Strategy 2020–2024. The Strategy formulates the mission, key development areas and the Department's goals for the next five years
- Developed a methodology of applying Agile in audit projects by planning and conducting audits or advisory projects in an agile manner to ensure maximum utility of the outcome for the management of the audited entity and/or other stakeholders. All auditors successfully completed training in applying this approach
- Developed a continuous auditing methodology. A number of the Company's key business processes were selected to pilot the continuous auditing
- Updated the audit model, including risk reassessment following the changes in the Company's Strategy and processes, changes in the Company's Risk Map, Hotline statistics analysis and the findings of previous internal audits
- Updated the assurance map and performed an assessment of key internal and external assurance providers. This tool helped streamline PJSC Aeroflot's provision of assurance process as well as optimise and prioritise future Internal Audit Department's agenda while reducing overall workload.

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PJSC Aeroflot's Internal Audit Department fulfilled all of its 2019 activities plan approved by the Board of Directors. The plan had 77 activities, including:

- risk-oriented audits
- audits of controlled entities and standalone business units
- support of the Hotline, a corporate vehicle of confidential reporting to the Board of Directors (its Audit Committee)
- activities aimed at improving the Department's performance.

Revision Committee

The Revision Committee supervises PJSC Aeroflot's financial and business operations to provide reasonable assurance that the Company's business fully meets the interests of its shareholders and requirements set forth in applicable Russian laws. The Committee operates on the basis of PJSC Aeroflot's Articles of Association and the Regulations on the Revision Committee.

The Revision Committee comprises five members who are elected by the Annual General Meeting of Shareholders for a period until the next Annual Meeting.

As prescribed by the Regulations, the Revision Committee reviewed the information contained in the RAS annual financial statements for 2019, including the income statement and other documents submitted to the Annual General Meeting of Shareholders. The Committee carried out a comparative analysis of the Company's financial and business performance metrics in 2013–2019 and a review of its compliance with applicable laws in 2019.

Based on these reviews, the Revision Committee prepared and approved a report on the balance sheet and financial performance assessment results. The Committee's report reflected changes in the balance sheet structure and key change drivers, and assessed some areas of the Company's financial and business operations, including risk management, internal control and compliance.

Based on the review of compliance with applicable laws, the Committee developed recommendations on further improving the Company's performance to increase profitability and reduce costs.

In its report, the Revision Committee gave a positive opinion regarding the general fairness of the Company's financial statements with no reasonable grounds to challenge the information provided in the balance sheet and income statement of PJSC Aeroflot as at 31 December 2019. The report also listed the Committee's recommendations on the Company's financial and business performance and legal compliance.

The Annual General Meeting of Shareholders held on 25 June 2019 elected the following members of PJSC Aeroflot's Revision Committee:

- Igor Belikov – Director of the Russian Institute of Directors and Chairman of PJSC Aeroflot's Revision Committee

Remuneration of PJSC Aeroflot's Revision Committee in 2019

Revision Committee member	Remuneration, RUB
Igor Belikov	2,528,028
Ekaterina Nikitina	1,986,308
Mikhail Sorokin	None
Sergey Ubugunov	None
Vasily Shipilov	None
TOTAL	4,514,336

- Ekaterina Nikitina – Deputy Executive Director of the Civil Society Foundation NGO
- Mikhail Sorokin – Head of Division at the Federal Agency for State Property Management
- Sergey Ubugunov – Head of Division at the Russian Ministry of Transport
- Vasily Shipilov – Head of Division at the Russian Ministry of Economic Development.

Remuneration to Revision Committee members is paid upon resolution of the General Meeting of Shareholders. The total annual remuneration paid to the members of the Revision Committee in 2019 amounted to RUB 4 514 336.

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Corporate Governance System continued

External audit

As required by law, PJSC Aeroflot's annual accounting statements are subject to statutory audit to confirm their fairness. External auditors are engaged for three years through public tenders which ensure an unbiased selection of the successful bidder based on auditing experience, the proposed audit scope and timeline, and the nature of PJSC Aeroflot's operations. The audit firm that wins the public tender for conducting an audit of the Company's accounting (financial) statements is approved annually by the Annual General Meeting of Shareholders in accordance with applicable laws.

The Annual General Meeting of Shareholders held on 25 June 2019 approved HLB Vneshaudit as the auditor of PJSC Aeroflot's 2019 accounting (financial) statements prepared under the Russian Accounting Standards (RAS). PricewaterhouseCoopers Audit was approved as the auditor of the Company's consolidated financial statements for 2019 prepared under the International Financial Reporting Standards (IFRS).

The total fees paid to HLB Vneshaudit under the contract for audit services and the contract for advisory services amounted to RUB 2,550,000 (net of VAT). The contracted scope of services rendered by HLB Vneshaudit included the audit of interim and annual statements for 2019, as well as accounting and tax advisory services.

The total fees paid to PricewaterhouseCoopers International Limited for audit, audit-related and other services in 2019 amounted to RUB 65,755,000 (net of VAT). The key scope of services rendered under the 2019 contract included a general review of the IFRS interim condensed consolidated financial statements for 3M, 6M and 9M 2019, audit of the IFRS consolidated financial statements for 2019, as well as methodology support, information and consulting services, methodology guidance for targeted procurement processes for other services, budget control and document verification for accounts payable, and tax advisory services.

Anti-corruption policy, preventing and resolving conflicts of interest

Aeroflot Group openly states zero tolerance for unfair and illegal business practices and takes additional voluntary anti-corruption commitments recommended by international and Russian laws.

PJSC Aeroflot is committed to public anti-corruption measures, transparent and open procurement processes and rejection of illicit benefits; it creates effective feedback channels, runs anti-corruption training programmes for its employees, fights corruption by sharing information and takes measures to prevent and resolve conflicts of interest.

Anti-corruption documents are publicly available in the Anti-Corruption Practices section of the Company's official website at aeroflot.ru/ru-ru/about/anticorruption

In 2019, PJSC Aeroflot again declared its adherence to the Anti-Corruption Charter of Russian Business, extending the period of adherence to 28 March 2021. Aeroflot first signed up to the Charter in 2014. A number of Aeroflot Group companies also signed up to the Charter in 2019.

The Company has the Anti-Corruption Policy approved by PJSC Aeroflot's Board of Directors and designed to create a uniform approach to implementing Federal Law No. 273-FZ On Countering Corruption dated 25 December 2008, which provides for development and adoption of measures to prevent and counter corruption.

PJSC Aeroflot's Board of Directors approved a new version of the Corporate Conduct Code of PJSC Aeroflot which brings together the ethical and moral standards supported and shared by the Board members and Company employees regardless of their job title. Similar conduct codes have been adopted by Aeroflot Group companies.

PJSC Aeroflot has other anti-corruption internal regulations developed and approved which establish the procedure for resolving conflicts of interest, including by reporting to the management on any personal interest that leads or may lead to a conflict of interest, and the procedure of reporting to the management on all attempts by any persons to lead employees into corrupt practices.

As part of ongoing anti-corruption efforts, PJSC Aeroflot carries out investigations and inspections on:

- reports by Aeroflot Group's customers, business partners and other parties through the Hotline, a corporate vehicle of confidential reporting to the Board of Directors (its Audit Committee)
- reports by PJSC Aeroflot's employees on attempts to lead them into corrupt practices
- reports, including anonymous ones, submitted under the "Corruption complaints" request type through the Feedback section of the Company's official website at aeroflot.ru/feedback?preferredLanguage=en.

Corporate Governance System continued

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According to the National Anti-Corruption Plan for 2018–2020 (approved by Decree of the President of the Russian Federation No. 378 dated 29 June 2019), the Company:

- ensures compliance with the Russian laws on counteracting corruption to prevent and resolve conflicts of interest
- implements measures to raise public awareness about PJSC Aeroflot's efforts to prevent corruption
- arranges for PJSC Aeroflot employees participation in conferences and other events on the implementation of the government anti-corruption policy held by the Government of the Russian Federation, the Prosecutor General's Office, the Ministry of Labour and Social Protection and other federal authorities and organisations
- organises anti-corruption training for top management
- provides annual professional development training for employees involved in anti-corruption efforts.

PJSC Aeroflot interacts with law enforcement authorities and other government authorities on matters related to countering corruption within the Company.

The Company has a set of awareness measures to promote anti-corruption practices, create a zero-tolerance attitude by the employees to corrupt conduct, and explain what is prohibited, restricted

and required by the anti-corruption laws and internal regulations. Particular focus is placed on prevention of corruption offences by PJSC Aeroflot employees related to the giving, offering or promising to a public official on behalf or in the interests of PJSC Aeroflot of money, gifts, securities, other assets, the rendering to them or persons affiliated with them of property-related services, granting property rights for any action (or omission) in the interests of PJSC Aeroflot by virtue of their official position.

The Company also informs its counterparties about its programmes, standards of conduct, procedures and rules aimed at countering corruption. A standard anti-corruption clause is incorporated in all contracts and agreements signed by the Company with counterparties.

PJSC Aeroflot will not offer to its counterparties' employees any incentives that would in any way oblige them and encourage such counterparties' employees to take any action for the benefit of the Company, including by giving money and gifts, performing works (or services) free of charge and other means.

PJSC Aeroflot's business units take comprehensive efforts to identify and assess corruption risks.

Preventing and resolving conflicts of interest

Department for Economic Security's First Deputy Director for Preventing and Countering Corruption, who reports directly to Deputy CEO for Legal and Property Matters, is in charge of anti-corruption compliance management.

In 2019, PJSC Aeroflot took additional measures to ensure compliance with the requirements of Russian anti-corruption laws to prevent and resolve conflicts of interest.

To promote a common understanding by the Company's employees of the procedure and methods of resolving conflicts of interest, the Regulations on Resolving Conflicts of Interest at PJSC Aeroflot was approved that sets forth the key principles, the procedure for identification, prevention and resolution of conflicts of interest. An employee conflict of interest declaration template was also approved.

Provisions aimed at preventing and resolving conflicts of interest are contained in the Regulations on the Board of Directors, the Corporate Conduct Code, the Regulations on Procurement of Goods, Works, and Services, as well as other documents governing procurement and other business processes.

Situations where direct or indirect personal interest of employees affects or may affect the due, objective and impartial performance of their duties (a conflict of interest) are identified both through due reporting of such situations by the employees to their management and through internal inspections, measures in response to reports by PJSC Aeroflot's employees, counterparties, partners and other persons, as well as through counterparty reliability and business reputation checks (due diligence and KYC procedures).

The Company has the Anti-Corruption and Conflict of Interest Commission of PJSC Aeroflot chaired by Department for Economic Security's First Deputy Director for Preventing and Countering Corruption. The Commission's mandate is to:

- review the findings of internal investigations of corruption offences and agree proposed measures to hold the offenders accountable
- review matters related to compliance with PJSC Aeroflot's requirements on preventing or resolving conflicts of interest and sanctions for failure to comply
- formulate recommendations to develop and amend internal regulations aimed at preventing and countering corruption at PJSC Aeroflot
- protect PJSC Aeroflot's employees in connection with corruption reports and potential or real conflict of interest
- review the Programme to Develop, Implement and Ensure the Effectiveness of Initiatives Aimed at Preventing and Countering Corruption at PJSC Aeroflot, as well as proposals for its update and reports on its implementation

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CORPORATE GOVERNANCE

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Information Disclosure

To enhance its corporate transparency and equity story, the Company aims at ensuring timely disclosure of complete and accurate material information on its operations. The Company's disclosure is guided by the requirements and recommendations of federal laws, the Bank of Russia, Russian and international exchanges where the Company's securities are listed, as well as corporate documents such as the Regulations on the Corporate Information Policy and the Regulations on Providing Access to Insider Information.

Information on PJSC Aeroflot is promptly communicated to the widest possible audience through publication of relevant messages, press and news releases on PJSC Aeroflot's disclosure page in the news feed updated in real time: disclosure.skrin.ru/disclosure/7712040126; and in the Shareholders and Investors section of PJSC Aeroflot's official website: ir.aeroflot.com.

For more details on information disclosure see the [Information for Shareholders and Investors](#) section of this Annual Report.

The main objectives of PJSC Aeroflot's corporate information policy are to:

- ensure compliance with the law and the requirements of securities market regulators
- enhance information transparency and trust in communications with the Company's shareholders, security holders, investors, creditors and other stakeholders, and ensure protection of their rights and legitimate interests
- address as fully as possible the demand of shareholders, investors, professional security market participants and other stakeholders for fair disclosures about the Company and its business
- honour shareholders' rights to obtain material information required to exercise their corporate governance rights
- maintain professional and trust-based relationships of the Company with mass media underpinned by free sharing of reliable information, without prejudice to the rights and legitimate interests of shareholders, investors and other parties
- protect insider information.

Internal regulations guiding the Annual Report

Key internal regulations used to prepare this Annual Report, including key internal regulations governing the internal audit, as well as the risk management and internal control system, are:

- Articles of Association of PJSC Aeroflot
- Corporate Governance Code of PJSC Aeroflot
- Corporate Conduct Code of PJSC Aeroflot
- Regulations on the General Meeting of Shareholders of PJSC Aeroflot
- Regulations on the Board of Directors of PJSC Aeroflot
- Regulations on the Management Board of PJSC Aeroflot
- Regulations on the Executive Secretary and the Office of the Board of Directors of PJSC Aeroflot
- Regulations on the Personnel and Remuneration Committee of the Board of Directors of PJSC Aeroflot
- Regulations on the Audit Committee of the Board of Directors of PJSC Aeroflot
- Regulations on the Strategy Committee of the Board of Directors of PJSC Aeroflot
- Regulations on the Revision Committee of PJSC Aeroflot
- Regulations on Internal Audit at Aeroflot Group
- Regulations on Aeroflot Group's Risk Management System
- Dividend Policy of PJSC Aeroflot
- Regulations on the Corporate Information Policy
- Regulations on Providing Access to Insider Information
- Aeroflot Group's Anti-Corruption Policy
- Regulations on the System of Disclosure of Confidential Information to the Board of Directors (Audit Committee of the Board of Directors) – Hotline
- Environmental Policy of PJSC Aeroflot.

Risk Management

Risk management system

Aeroflot Group's risk management policy, including corruption risk management, is aimed at building a comprehensive system that helps promptly identify risks that affect the Company, assess their materiality and take measures to minimise both the likelihood of risks being realised and losses they can lead to.

Aeroflot Group's risk management procedures are governed by the Regulations on Aeroflot Group's Risk Management System approved in 2015 and updated in 2017.

The document lays down the framework for a unified risk assessment and management methodology: goals, tasks, principles of organisation and operation of the corporate risk management system (CRMS), and approaches to, and principles of, the distribution of rights, obligations and responsibilities of participants of the risk management system at PJSC Aeroflot and its controlled entities.

PJSC Aeroflot's business units and the Risk Management Department take comprehensive efforts to identify and assess risks, as well as prepare a Risk Register and a Risk Map. The Board of Directors of PJSC Aeroflot reviews and approves the Risk Register, the Risk Map and the Risk Appetite Statement of Aeroflot Group.

The Risk Map is a map of the most significant risks which covers risks of underperformance against budgeted targets, including due to changes in market risk factors, and operational risks directly associated with availability/airworthiness of aircraft, customer service quality and customer safety.

Risk management, including corruption risk management, is applied across all management levels and functional and project areas. The respective functions are distributed among the Board of Directors, the Audit Committee, the Management Board and business units of PJSC Aeroflot. The Company has set up the Risk Management Department to:

- provide overall coordination of the risk management processes
- develop guidelines to govern the risk management processes
- arrange personnel training in risk management and internal control
- review the risk portfolio and develop proposals on the response strategy and reallocation of resources to manage respective risks
- prepare consolidated risk reports
- perform day-to-day monitoring of the risk management process in the Company's business units and in its controlled entities
- prepare information and inform the Board of Directors and executive bodies on the effectiveness of the risk management process.

Control over PJSC Aeroflot's financial and business activities is exercised by the Audit Committee of the Board of Directors, the Revision Committee, the Internal Audit Department, and the Risk Management Department. An independent auditor is engaged to audit PJSC Aeroflot's accounting statements prepared under the Russian Accounting Standards (RAS) and the International Financial Reporting Standards (IFRS).

Within the CRMS, prompt communication procedures were set up to support interaction between the Risk Management Department and risk coordinators in all

business units and at PJSC Aeroflot's controlled entities. Aeroflot Group conducts employee training in risk management on a regular basis. Risk identification and analysis involves relevant business units. Application of a risk-based approach promotes the corporate risk management culture and overall CRMS effectiveness. Risk management and internal control are governed by the Regulations on Aeroflot Group's Risk Management System.