

**Material Fact**  
**Resolutions adopted by the Board of Directors (Supervisory Board) of the issuer**

1. General information	
1.1. Full company name of the issuer (for non-commercial organisations – name)	Public Joint Stock Company “Aeroflot – Russian Airlines”
1.2. Short company name of the issuer	PJSC Aeroflot
1.3. Actual address of the issuer	119002, Moscow, Arbat Str., 10
1.4. PRSN code of the issuer	1027700092661
1.5. TIN code of the issuer	7712040126
1.6. Unique code of the issuer assigned by the registering authority	00010 – A
1.7. Web page used by the issuer to disclose information	<a href="http://ir.aeroflot.com/disclosure-of-information/ad-hoc-releases/">http://ir.aeroflot.com/disclosure-of-information/ad-hoc-releases/</a> <a href="http://disclosure.skrin.ru/disclosure/7712040126">http://disclosure.skrin.ru/disclosure/7712040126</a>

2. Notice content	
2.1. Quorum for the meeting of the Board of Directors of the issuer: <b><i>11 of 11 members of the Board of Directors of the Issuer.</i></b>	
2.2 Content of resolutions adopted by the Board of Directors of the issuer and results of voting on the corresponding agenda items:	
<b>2.2.1. Related-party transaction regarding the provision of security (guarantee) by PJSC Aeroflot to LLC Pobeda Airlines for the lease agreements of five new Boeing 737-800 aircraft.</b>	
Approve a related-party transaction (set of related-party transactions) regarding the provision of security (guarantee) by PJSC Aeroflot to LLC Pobeda Airlines for the lease agreements of 5 (five) new Boeing 737-800 (with CFM56-7B24 engines) which will be delivered in the period between 01.09.2017 and 01.05.2018 under the following material terms:	
<u>Parties:</u>	
<ul style="list-style-type: none"> <li>- PJSC Aeroflot as a guarantor;</li> <li>- BOC Aviation (Ireland) Limited (and/or its affiliates) as a lessor (beneficiary);</li> <li>- LLC Pobeda Airlines as a lessee (debtor).</li> </ul>	
<u>Beneficiary:</u>	
According to the transaction LLC Pobeda Airlines is a beneficiary.	
<u>Subject:</u>	
Provision of security (guarantee) by PJSC Aeroflot to LLC Pobeda Airlines for the lease agreements of 5 (five) new Boeing 737-800 (with CFM56-7B24 engines) which will be delivered in the period between 01.09.2017 and 01.05.2018 (hereafter – “aircraft”) under the following material terms (hereafter – “lease agreements”):	
<u>Period:</u> no more than 10 years from the transfer date of each aircraft to the lessee.	
<u>Other material terms of the transaction:</u>	
<ol style="list-style-type: none"> <li>1. Term of security (guarantee): security (guarantee) is valid until the lessee fulfils all payment obligations according to the lease agreements.</li> <li>2. Applicable law: security (guarantee) is regulated by English legal provisions.</li> </ol>	

Results of vote\*:

FOR 9 (nine)  
AGAINST none  
ABSTENTIONS none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors.

**2.2.2. Related-party transaction regarding the provision of security (guarantee) by PJSC Aeroflot to JSC Rossiya Airlines for the lease agreements of five Boeing 777-300ER aircraft with the following serial numbers: 32706,32709,32715,32730 and 32710:**

Approve a related-party transaction (set of related-party transactions) regarding the provision of security (guarantee) by PJSC Aeroflot to JSC Rossiya Airlines for the lease agreements of 5 (five) Boeing 777-300ER aircraft with the following serial numbers: 32706,32709,32715,32730 and 32710. The transaction is concluded under the following material terms:

Parties:

- PJSC Aeroflot as a guarantor;
- AerCap Ireland Limited (Ireland) (and/or its affiliates) and Altair Aviation No. 3 Limited (Ireland) (and/or its affiliates) as lessors (beneficiaries);
- JSC Rossiya Airlines as a lessee (debtor).

Beneficiary:

According to the transaction JSC Rossiya Airlines is a beneficiary.

Subject:

Provision of security (guarantee) by PJSC Aeroflot to JSC Rossiya Airlines for the lease agreements of 5 (five) Boeing 777-300ER aircraft with the following serial numbers: 32706,32709,32715,32730 and 32710, under the following material terms (hereafter – “lease agreements” or “lease agreement” for one separate aircraft):

Parties:

Lessee – JSC Rossiya Airlines;

Lessor:

- AerCap Ireland Limited (Ireland) (and/or its affiliates) for Boeing 777-300ER aircraft with the following serial numbers: 32706,32709,32715 and 32730,
- Altair Aviation No. 3 Limited (Ireland) (and/or its affiliates) for Boeing 777-300ER aircraft with the following serial number: 32710.

Subject:

The transfer by the lessor and the receipt by the lessee of 5 (five) Boeing 777-300ER aircraft with the following serial numbers: 32706,32709,32715,32730 and 32710.

Period:

The lease agreement is valid from the moment of the signing until the expiration of the lease agreement and until the fulfilment of all obligations by both sides.

Boeing 777-300ER aircraft lease period:

- no longer than 96 months from the transfer date for aircraft with the following serial numbers: 32706, 32709 and 32710,
- no longer than 84 months from the transfer date for aircraft with the following serial numbers: 32715 and 32730.

Other material terms of the transaction:

1. Term of security (guarantee): security (guarantee) is valid until the lessee fulfils all payment obligations according to the lease agreements.
2. Applicable law: security (guarantee) is regulated by English legal provisions.

Results of vote\*:

FOR	9 (nine)
AGAINST	none
ABSTENTIONS	none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors.

**2.2.3. Approval of related-party transaction regarding the provision of security (guarantee) by PJSC Aeroflot to JSC Rossiya Airlines for the lease agreements of two Boeing 737-800 aircraft with the following serial numbers: 41201 and 41202:**

Approve a related-party transaction regarding the provision of security (guarantee) by PJSC Aeroflot in favour of Avia Capital Leasing Limited for the contractual liabilities of JSC Rossiya Airlines under the lease agreements of 2 (two) Boeing 737-800 aircraft with the following serial numbers: 41201 and 41202. The transaction is concluded under the following material terms:

Parties:

- PJSC Aeroflot as a guarantor;
- Avia Capital Leasing Limited as a lender (beneficiary) (the lessor according to the lease agreements of two Boeing 737-800 aircraft with the following serial numbers: 41201 and 41202);
- JSC Rossiya Airlines as a lessee (debtor).

Beneficiary:

According to the transaction JSC Rossiya Airlines is a beneficiary.

Subject:

The provision of security (guarantee) by the guarantor in favour of the lessor for the contractual liabilities of the lessee under the lease agreements of 2 (two) Boeing 737-800 aircraft with the following serial numbers: 41201 (Agreement № 437/16 dated 10.05.2016) and 41202 (Agreement № 436/16 dated 10.05.2016) (hereafter – “aircraft”). The agreements were concluded under the following material terms (hereafter – “lease agreements”):

Period:

The lease agreement is valid from the transfer date of the aircraft until the expiration of the lease agreement and until the fulfilment of all obligations by both sides.

Planned lease expiration dates:

- November 2026 for the aircraft with the following serial number: 41201
- December 2026 for the aircraft with the following serial number: 41202

Other material terms of the transaction:

1. A deposit worth two monthly lease payments or credit letters of an equivalent sum to be paid to the lessor for each aircraft.
2. The security (guarantee) is valid until 07.11.2027 for the aircraft with 41201 serial number and until 17.12.2027 for the aircraft with 41202 serial number. The expiration of the security (guarantee) agreement does not exempt the parties from the liabilities for the breach of the agreement. The security (guarantee) is terminated:
  - once the lessee's obligations are fulfilled;
  - in the case of the fulfilment by the guarantor of the obligations, taking into account the annual reduction of the size of the guarantee;
  - in other cases provided for by the legislation of Russian Federation.
3. Applicable law: security (guarantee) is regulated by the legislation of Russian Federation.

Results of vote\*:

FOR 9 (nine)

AGAINST none

ABSTENTIONS none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors.

**2.2.4. Changing of the conditions of related-party transaction with JSC Rossiya Airlines regarding the sale to PJSC Aeroflot of mail and cargo transportation under the Interline agreement:**

Approve the changing of the material terms of related-party transaction with JSC Rossiya Airlines regarding the sale to PJSC Aeroflot of mail and cargo transportation under the Interline agreement:

Parties:

- PJSC Aeroflot (issuer);
- JSC Rossiya Airlines (carrier).

Subject:

The sale to PJSC Aeroflot of mail and cargo transportation flights in the FV5950 – FV6999 range of JSC Rossiya airlines under the Interline agreement.

Other material terms of the transaction, approved by PJSC Aeroflot Board of Directors (Protocol № 13 of 29.02.2016), remain unchanged.

Results of vote\*:

FOR 9 (nine)

AGAINST none

ABSTENTIONS none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors.

**2.2.5. Approval of related-party transaction regarding the provision of customs cargo processing and storage service to LLC Pobeda Airlines. The cargo is to be stored at temporary storage warehouse of PJSC Aeroflot:**

Approve the related-party transaction regarding the provision by PJSC Aeroflot of customs cargo processing and storage service to LLC Pobeda Airlines under the following material terms:

Parties:

- PJSC Aeroflot (contractor);
- LLC Pobeda Airlines (customer).

Subject:

The contractor will provide customs cargo (air technical supplies and spare parts) processing and storage service to the customer for a fee.

Period:

From 01.10.2016 until 30.09.2019.

Terms of payment:

The payment is done in roubles according to the Central Bank exchange rate on the day of payment. The payment should be done within the 30 days after the receipt of the invoice.

Results of vote\*:

FOR 9 (nine)

AGAINST none

ABSTENTIONS none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors.

**2.2.6. Approval of related-party transaction regarding the provision of customs cargo processing and storage service to LLC Pobeda Airlines. The cargo is to be stored at temporary storage warehouse of PJSC Aeroflot:**

Approve the related-party Aeroflot Bonus programme partnership transaction with CJSC Aeromar under the following material terms:

Parties:

- PJSC Aeroflot;
- CJSC Aeromar.

Programme participant:

Private entity registered in the Aeroflot Bonus programme.

Subject:

Under the agreement the parties allow programme participants to receive extra miles according to the formula: 1 (one) mile = 1 (one) Euro spent on goods of CJSC Aeromar which are sold on-board Aeroflot aircraft, on CJSC Aeromar website and in other shops that sell the goods of CJSC Aeromar.

Period:

From 01.12.2016 until 30.11.2021.

Results of vote\*:

FOR 9 (nine)

AGAINST none

ABSTENTIONS none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors

**2.2.7. Drafting of the corporate governance code:**

Determine the price and approve the related-party transaction with the Russian Directors' Institute non-profit partnership regarding the drafting of PJSC Aeroflot corporate governance codex under the following material terms:

Parties:

- PJSC Aeroflot (customer);
- Russian Directors' Institute non-profit partnership (contractor).

Subject:

Provision of drafting services for PJSC Aeroflot's corporate governance code.

Cost:

415 254 (four hundred fifteen thousand two hundred fifty-four) roubles 24 (twenty-four) kopeks, net of VAT (18%).

Term of the transaction: until the complete fulfilment of obligations by both parties but not later than 31.01.2017 (whichever is the sooner).

Results of vote\*:

FOR 9 (nine)  
AGAINST none  
ABSTENTIONS none

Resolution adopted.

\*Note: V. Saveliev and D. Saprykin did not participate in voting on agenda items 1-3, as they are not independent directors

**2.2.8. Provision on purchase of goods, works, services:**

Approve the provision on purchase of goods, works, services (RI-GD-148E) in its current wording:

Results of vote\*:

FOR 10 (ten)  
AGAINST 1(one)  
ABSTENTIONS none

2.3 Date of the meeting of the Issuer's Board of Directors (Supervisory Board): **17 October 2016.**

2.4. Date of compilation and protocol number of the Issuer's Board of Directors (Supervisory Board) meeting at which these decisions were taken: **Protocol № 3 on 17 October 2016.**

**3. Signature**

3.1. Head of Shareholder Communications  
and Information Disclosure at the Corporate  
Governance Department

\_\_\_\_\_  
(signature)

S.E. Denisenko

3.2. Date «18» October 2016

Stamp