



ANNUAL GENERAL MEETING OF
SHAREHOLDERS OF JSC "AEROFLOT"
to be held on June 22, 2015

Recommended
by the Board of Directors of JSC "Aeroflot"
Minutes No. 17 dated May 19, 2015
and
Minutes No. 15 dated April 23, 2015

**PROPOSALS OF THE BOARD OF DIRECTORS OF JSC "AEROFLOT
regarding the approval of interested party transactions of JSC "Aeroflot",
including transactions that may be entered into by JSC "Aeroflot"
in the future in the ordinary course of business**

1. "To determine the ceiling amounts and propose that the Annual General Meeting of Shareholders approve interested party transactions of JSC "Aeroflot", including transactions that may be entered into by JSC "Aeroflot" in the future in the ordinary course of business in accordance with the following list:

1.1. The interested party transactions between JSC "Aeroflot" and JSC "Aeromar" for the provision of catering services (in-flight meals, beverages and utensils) to JSC "Aeroflot" for the period from July 01, 2015 to June 30, 2016 for a total amount not to exceed RUB 10,945,861,836 (ten billion, nine hundred forty-five million, eight hundred sixty-one thousand, eight hundred and thirty-six rubles); provision of interior cleaning and dressing services for aircraft to JSC "Aeroflot" for the period from July 01, 2015 to June 30, 2016 for a total amount not to exceed RUB 1,578,566,217 (one billion, five hundred seventy-eight million, five hundred sixty-six thousand, two hundred and seventeen rubles).

1.2. The interested party transaction between JSC "Aeroflot" and JSC "Alfastrahovanie" (Insurer) for liability insurance of Directors (members of the Board of Directors, the Executive Board and representatives of JSC "Aeroflot" nominated and elected to the Boards of Directors (Supervisory Boards) of JSC Aeroflot's subsidiaries and affiliates and JSC "Aeroflot") for the period from July 16, 2015 to July 15, 2016 with a liability limit of RUB 100,000,000 (one hundred million rubles), covering the following risks:

- Insurance of Directors' property interests. The Insurer shall reimburse Directors for damages arising from third party claims against Directors in connection with their wrongful acts (omissions) in exercising their powers. The coverage shall include, inter alia, the legal fees and defense costs and is not subject to a deductible;

- Insurance of property interests of JSC “Aeroflot” relating to reimbursement of damages. The Insurer shall reimburse JSC “Aeroflot” for damages incurred as a result of third party claims brought against Directors in connection with their wrongful acts (omissions) in exercising their powers. The coverage shall include, inter alia, the legal defense costs and reimbursement of the Directors for expenses arising from such claims. The deductible is \$50,000;
- Insurance of JSC “Aeroflot” against claims involving securities of the Company. Such claims may be brought in the event of sharp changes in prices of traded securities, or errors made in purchasing/selling securities of JSC “Aeroflot”, investigations or legal actions taken by authorities with respect to operations with securities. The deductible is \$100,000;

with a total premium of \$107,490 (one hundred and seven thousand, four hundred and ninety US Dollars)”.

1.3. The interested party transaction between JSC “Aeroflot” and JSC “Rossiya Airlines” relating to commercial management by JSC “Aeroflot” of the seat inventory on flights operated by JSC “Rossiya Airlines” (including pricing and sale of tickets for such flights) under the Code Share/Block Space Agreement based on a commuter (regional) air services model providing for publication of code-share flights in reservation systems under the code of JSC “Aeroflot” – SU - within the range of SU5950-6999 for the period from November 1, 2015 to October 31, 2016, for a total amount not to exceed RUB 47,000,000,000 (forty seven billion rubles) (excluding VAT) for the projected traffic operations volume of approximately 26,654 regional turnaround flights to be flown by JSC “Rossiya Airlines” over this period.”.

1.4. The interested party transaction between JSC “Aeroflot” and JSC “Aurora Airlines” relating to commercial management by JSC “Aeroflot” of the seat inventory on a number of flights operated by JSC “Aurora Airlines” (including pricing and sale of tickets for such flights) under the Code Share/Block Space Agreement based on a commuter (regional) air services model providing for publication of code-share flights in reservation systems under the code of JSC “Aeroflot” – SU - within the range of SU5400-5799 for the period from November 1, 2015 to October 31, 2016, for a total amount not to exceed RUB 16,200,000,000 (sixteen billion two hundred million rubles) (excluding VAT) for the projected operations volume of approximately 7,225 regional turnaround flights to be flown by JSC “Aurora Airlines” over this period.

1.5. The interested party transaction between JSC “Aeroflot” and JSC “Orenburg Airlines” relating to commercial management by JSC “Aeroflot” of the seat inventory on a number of flights operated by JSC “Orenburg Airlines” (including pricing and sale of tickets for such flights) under the Code Share/Block Space Agreement based on a commuter (regional) air services model providing for publication of code-share flights in reservation systems under the code of JSC “Aeroflot” – SU - within the range of SU5800-5949 for the period from July 1, 2015 to October 31, 2016, for a total amount not to exceed RUB 16,200,000,000 (sixteen billion two hundred million rubles) (excluding VAT) for the projected operations volume of approximately 9,501 regional turnaround flights to be flown by JSC “Orenburg Airlines” over this period.

1.6. The interested party transaction between JSC “Aeroflot” and JSC “Donavia” relating to commercial management by JSC “Aeroflot” of the seat inventory on flights operated by JSC “Donavia” (including pricing and sale of tickets for such flights) under the Code Share/Block Space Agreement based on a commuter (regional) air services model providing for publication of code-share flights in reservation systems under the code of JSC “Aeroflot” – SU – within the range of SU5000-5399 for the period from November 1, 2015 to October 31, 2016, for a total amount not to exceed RUB 18,700,000,000 (eighteen billion seven hundred million rubles) (excluding VAT) for the projected operations volume of approximately 13,289 regional turnaround flights to be flown by JSC “Donavia” over this period.”.

2. “1. To determine that the price of the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of four Boeing 737-800 aircraft bearing MSNs 41205, 41206, 41208 and 41212 (each with two installed CFM56-7B24E engines) shall not exceed US\$ 319,960,000 (three hundred nineteen million nine hundred and sixty thousand US Dollars) (as of April 2015).

2. To recommend that the General Meeting of Shareholders of JSC “Aeroflot” approve the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of four Boeing 737-800 aircraft bearing MSNs 41205, 41206, 41208 and 41212 (each with two installed CFM56-7B24E engines) leased from Avia Capital Leasing Limited (the “Lessor”) to be concluded on the following material terms and conditions:

Subject matter of the transaction: sublease of four Boeing 737-800 aircraft bearing MSNs 41205, 41206, 41208 and 41212, each with two installed CFM56-7B24E engines (the “Aircraft”)

Parties to the transaction:

- JSC “Aeroflot” as the Sublessor;
- Pobeda Airlines LLC as the Sublessee;

Aircraft delivery date: on or before December 31, 2015.

Lease term: up to twelve (12) years following the date each Aircraft is delivered to the Sublessee.

Monthly rent: floating, based on three-month LIBOR and calculated using the following formula:

$A \times E + N \times (L - 0,47) \times (A * E + M) / (A * E) + M$, where:

A US\$373,000 maximum;

E escalation factor applied by the manufacturer from November 1, 2011 to the Aircraft delivery date, but not to exceed 3.5% per year;

L current three-month LIBOR;

N US\$ 26,000 plus (i) E and (ii) amount equal to the percentage increase in A (Base Rental Rate) resulting from the adjustment of the Rental Rate for modifications and BFE installation, to be subsequently reduced by 2.5% every three months during the lease term;

M Rental Rate for modifications and BFE (“*Buyer Furnished Equipment*”) installation.

In the event of a change to the Aircraft configuration and installation of additional equipment ordered by the Aircraft owner/lessor (“*Buyer Furnished Equipment*”) exceeding the budget established for these purposes (US\$ 2,750,000 in respect of Buyer Furnished Equipment and US\$ 1,953,520 in respect of the change to the configuration of optional features (“*Optional Features*”), the monthly rent shall be increased by US\$ 975 per US\$100,000 of the cost of additional equipment.

Security Deposit: payable on or before the delivery date of each Aircraft in an amount equal to two months rent for the respective Aircraft, in either cash or a standby letter of credit.

Maintenance Reserve: maximum US\$ 160,000 (one hundred and sixty thousand US Dollars) per month for each Aircraft, based on a maximum of 335 (three hundred and thirty-five) flight hours per month on each Aircraft. The maintenance reserve rates are subject to escalation in accordance with the manufacturer’s catalog for engine LLPs and maximum by 3% (three percent) per year for other components.

Insured value of each Aircraft: not to exceed 110% of the purchase price of the Aircraft at the date it is delivered to the Sublessor, to be reduced annually by 3% (three percent).

Transaction price: not to exceed US\$ 319,960,000 (three hundred nineteen million nine hundred and sixty thousand US Dollars)”).

3. “1. To determine that the price of the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of three Boeing 737-800 aircraft bearing MSNs 43662, 43664 and 43666 (each with two installed CFM56-7B24E engines) shall not exceed US\$ 236,310,000 (two hundred thirty six million three hundred and ten thousand US Dollars) (as of April 2015).

2. To recommend that the General Meeting of Shareholders of JSC “Aeroflot” approve the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of three

Boeing 737-800 aircraft bearing MSNs 43662, 43664 and 43666 (each with two installed CFM56-7B24E engines) leased from Avolon Aerospace (Ireland) AOE 5 Limited, Avolon Aerospace (Ireland) AOE 6 Limited and Avolon Aerospace (Ireland) AOE 9 Limited, respectively (the “Lessor”) to be concluded on the following material terms and conditions:

Subject matter of the transaction: sublease of three Boeing 737-800 aircraft bearing MSNs 43662, 43664 and 43666 (each with two installed CFM56-7B24E engines) (each and collectively, the “Aircraft”)

Parties to the transaction:

- JSC “Aeroflot” as the Sublessor;
- Pobeda Airlines LLC as the Sublessee;

Sublease term: up to twelve (12) years from the date the Aircraft are delivered to the Sublessee.

Monthly rent for the Boeing 737-800 aircraft bearing MSNs 43662 and 43664: floating, based on three-month LIBOR and calculated using the following formula:

$(BLR + (\text{Actual Rate} - \text{Assumed LIBOR}) \times N \times 100) \times E$, where

BLR	maximum US\$ 400,000 (four hundred thousand US Dollars) (as of March 2015);
E	escalation factor from March 1, 2015 to the delivery date of the respective Aircraft, but not to exceed 3% (three percent) per year;
Actual Rate	six-month LIBOR (rounded to two decimal places and expressed as a number, not as a percentage) to be determined two (2) business days prior to the Aircraft delivery date and to be subsequently adjusted 2 (two) business days before the end of the current six-month period of the sublease;
N	US\$ 329 (three hundred and twenty-nine US Dollars) to be subsequently reduced on a straight-line basis during the sublease term to US\$ 199 (one hundred and ninety nine US Dollars);
Assumed LIBOR	0.40%

In the event of installation of additional equipment financed by the Lessor, BLR shall be increased by US\$ 1,000 (one thousand US Dollars) per US\$ 100,000 (one hundred thousand US Dollars) of the cost of additional equipment.

Monthly rent for the Boeing 737-800 aircraft bearing MSN 43666: floating, based on three-month LIBOR and calculated using the following formula:

$(BLR + (\text{Actual Rate} - \text{Assumed LIBOR}) \times N \times 100) \times E$, where:

BLR	maximum US\$ 400,000 (four hundred thousand US Dollars) (as of March 2015);
E	escalation rate from March 1, 2015 to the Aircraft delivery date, 3% (three percent) per year;
Actual Rate	six-month LIBOR (rounded to two decimal places and expressed as

a number, not as a percentage) to be determined two (2) business days prior to the Aircraft delivery date and to be subsequently adjusted 2 (two) business days before the end of the current six-month period of the sublease;

N US\$ 329 (three hundred and twenty-nine US Dollars) to be subsequently reduced on a straight-line basis during the sublease term to US\$ 199 (one hundred and ninety nine US Dollars);

Assumed LIBOR 0.40%

In the event of installation of additional equipment financed by the Lessor, BLR shall be increased by US\$ 1,000 (one thousand US Dollars) per US\$ 100,000 (one hundred thousand US Dollars) of the cost of additional equipment.

Security Deposit: maximum US\$ 800,000 (eight hundred thousand US Dollars), payable in either cash or as a standby letter of credit for each Aircraft.

Insured value of each Aircraft: maximum US\$ 52,000,000 (fifty-two million US Dollars) to be reduced annually by 3% (three percent) maximum.

Maintenance Reserve: maximum US\$ 190,000 (one hundred and ninety thousand US Dollars) per month for each Aircraft, based on a maximum of 300 (three hundred) flight hours per month on each Aircraft. The maintenance reserve rates are subject to escalation in accordance with the manufacturer's catalog for engine LLPs and maximum by 3% (three percent) per year for other components.

Cross-Default: Any default by the Sublessee under the sublease agreement for any one Aircraft shall also constitute default under the sublease agreements for the other two Aircraft and will result in the penalty sanctions provided by any of the three sublease agreements (up to their termination);

Transaction price: not to exceed US\$ 236,310,000 (two hundred thirty six million three hundred and ten thousand US Dollars).”

4. “1. To determine that the price of the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of three Boeing 737-800 aircraft bearing MSNs 39947, 39948 and 39950 (each with two installed CFM56-7B24E engines) shall not exceed US\$ 219,580,000 (two hundred nineteen million five hundred eighty thousand US Dollars) (as of April 2015).

2. To recommend that the General Meeting of Shareholders of JSC “Aeroflot” approve the related transactions, namely:

2.1. the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of three Boeing 737-800 aircraft bearing MSNs 39947, 39948 and 39950 (each with two installed CFM56-7B24E engines) leased from SMBC Aviation Capital Limited (the “Lessor”) to be concluded on the following material terms and conditions

Subject matter of the transaction: sublease of three Boeing 737-800 aircraft bearing MSNs 39947, 39948 and 39950, each with two installed CFM56-7B24E engines (the “Aircraft”)

Parties to the transaction:

- JSC “Aeroflot” as the Sublessor;
- Pobeda Airlines LLC as the Sublessee;

Lease term: up to twelve (12) years from the date each Aircraft is delivered to the Sublessee.

Monthly rent: floating, based on three-month LIBOR and calculated using the following formula:

$(BLR \times E) + ((Rate - 0,40) \times N \times 100 \times E)$, where:

BLR	maximum US\$ 400,000 (four hundred thousand US Dollars);
E	manufacturer’s escalation rate from April 1, 2015 to the Aircraft delivery date, but not to exceed 3% (three percent) per year;
Rate	six-month LIBOR (rounded to two decimal places), which appears on Page BBAM01 two (2) business days prior to the delivery date, to be subsequently adjusted on a regular basis 2 (two) business days before the end of the relevant six month LIBOR period up to the end of the sublease term for each Aircraft. It is expressed as a number and not as a percentage (for example, if the rate is 1.00*, it is indicated as 1.00);
N	US\$ 336.72, to be subsequently reduced during the sublease term on a straight-line basis to US\$ 207.52;

In the event of installation of additional equipment financed by the Lessor, the monthly rent shall be increased maximum by US\$ 2,150 (two thousand one hundred and fifty US Dollars) per US\$ 250,000 (two hundred and fifty thousand US Dollars) of the cost of additional equipment (the “Rate of Modification Rate”). The Rate of Modification Rent is subject to escalation from November 2013 to the delivery date of the respective Aircraft.

Security Deposit: maximum US\$ 612,000 (six hundred and twelve thousand US Dollars), payable in either cash or as a standby letter of credit for each Aircraft.

Maintenance Reserve: maximum US\$ 150,000 (one hundred and fifty thousand US Dollars) per month for each Aircraft, based on a maximum of 300 (three hundred) flight hours per month on each Aircraft. The maintenance reserve rates are subject to escalation in accordance with the manufacturer’s catalog for engine LLPs and maximum by 3% (three percent) per year for other components.

Insured value of each Aircraft: maximum US\$ 52,000,000 (fifty-two million US Dollars) to be reduced annually by 3% (three percent).

Transaction price: not to exceed US\$ 219,580,000 (two hundred nineteen million five hundred and eighty thousand US Dollars).

2.2. Security Assignment with respect to the transaction for the sublease of three Boeing 737-800 aircraft bearing MSNs 39947, 39948 and 39950 (each with two installed CFM56-7B24E engines) to Pobeda Airlines LLC by JSC “Aeroflot” to be concluded on the following material terms and conditions:

Subject matter of the transaction: assignment by JSC “Aeroflot” to SMBC Aviation Capital Limited of claims of JSC “Aeroflot” under the Aircraft Sublease Agreements, including, but not limited to, all rights, present or future, to demand payment of amounts payable under the Sublease Agreements, enforce obligations under the Sublease Agreements, and claim damages, but excluding any claims under third party liability insurance;

Parties: JSC “Aeroflot” as the Assignor and SMBC Aviation Capital Limited as the Assignee;

Governing law: English law;

Other terms and conditions: The Assignee is entitled to exercise the rights assigned to it under the Security Assignments only upon the occurrence of the Event of Default under the Aircraft Lease Agreements between JSC “Aeroflot” and SMBC Aviation Capital Limited;

Transaction price: not to exceed US\$ 219,580,000 (two hundred nineteen million five hundred and eighty thousand US Dollars).”

5. “1. To determine that the total price of the series of related transactions for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of two Boeing 737-800 aircraft (bearing MSNs 41991 and 41992, each with two installed CFM56-7B26E engines) shall not exceed US\$ 138,940,000 (one hundred thirty-eight million nine hundred and forty thousand US Dollars) (as of April 2015).

2. To recommend that the General Meeting of Shareholders of JSC “Aeroflot” approve the transaction which involves a series of related transactions, one of which is an interested party transaction, contemplated by the following agreements:

2.1. Aircraft Sublease Agreements with respect to the aircraft bearing MSNs 41991 and 41992:

Subject matter: sublease of two Boeing 737-800 aircraft (each with two installed CFM56-7B26E engines) bearing MSNs 41991 and 41992 (the “Aircraft”).

Parties:

- JSC “Aeroflot” as the Sublessor;
- Pobeda Airlines LLC as the Sublessee;

Lease term: up to twelve (12) years from the delivery date of each Aircraft.

Monthly rent for each Aircraft: floating, based on three-month LIBOR and calculated in one of the following ways:

- provided that L and ALR are equal, the monthly rental rate for the calculation period will be equal to BLR;
- provided that L exceeds ALR, the monthly rental rate for the calculation period will be calculated according to the following formula: $BLR + ((L - ALR) * RAF)$;
- provided that L is less than ALR, the monthly rental rate for the calculation period will be calculated according to the following formula: $BLR - ((ALR - L) * RAF)$, where:

BLR maximum US\$ 400,000 (four hundred thousand US Dollars) (as of April 2015);
L six-month LIBOR rounded to four decimal places (expressed as a number, not as a percentage);
ALR the rate of 0.41 % per annum, expressed as a number;
RAF US\$ 235.

The monthly rent will be increased on the date falling 10 days after the delivery date of the respective Aircraft and on the corresponding date in each subsequent calendar month throughout the sublease term.

Security Deposit: maximum US\$ 1,332,000 (one million three hundred and thirty-two thousand US Dollars) payable in either cash or as a standby letter of credit for each Aircraft.

Insured value: maximum US\$ 56,000,000 (fifty-six million US Dollars) to be reduced annually by 2.5% (two point five percent) maximum for to each Aircraft.

Maintenance Reserve: maximum US\$ 170,000 (one hundred and seventy thousand US Dollars) per month for each Aircraft, based on a maximum of 300 (three hundred) flight hours per month on each Aircraft. The maintenance reserve rates are subject to escalation in accordance with the manufacturer's catalog for engine LLPs and maximum by 3% (three percent) per year for other components.

Other expenses: The Sublessee shall reimburse the Sublessor and the Sublessor shall, in turn, reimburse the Lessor, Elladell Limited or Jeritt Limited (as the case may be) for corresponding operating costs incurred by a specially created company (for the purposes of registration of the Aircraft), subject to a maximum of US\$ 5,000 (five thousand US Dollars) per year for each Aircraft.

Transaction price: not to exceed US\$ 138,940,000 (one hundred thirty-eight million nine hundred and forty thousand US Dollars).

2.2. Deeds of assignment under the Aircraft Sublease Agreements specified in paragraph 1.1. above:

Subject Matter: assignment by JSC “Aeroflot” to Elladell Limited or Jeritt Limited (as the case may be) of claims of JSC “Aeroflot” under the Aircraft Sublease Agreements, including, but not limited to, the right to demand payment of amounts payable under the Sublease Agreements, enforce obligations under the Sublease Agreements, and claim damages, but excluding any claims under third party liability insurance;

Parties: JSC “Aeroflot” as the Assignor and Elladell Limited or Jeritt Limited (as the case may be) as the Assignee;

Governing law: English law;

Other terms and conditions: The Assignee is entitled to exercise the rights assigned to it under the deeds of assignment only upon the occurrence of the Event of Default under the Aircraft Lease Agreements between JSC “Aeroflot” and Elladell Limited or Jeritt Limited (as the case may be);

Transaction price: not to exceed US\$ 138,940,000 (one hundred thirty-eight million nine hundred and forty thousand US Dollars).

Pobeda Airlines LLC shall sign an Acknowledgement of Assignment to confirm its agreement with the terms and conditions of the deeds of assignment.

- 2.3. The Engine Warranty Rights Assignment Agreement with respect to the Aircraft bearing MSN 41991 concluded on April 17, 2014 between Babcock & Brown Aviation Finance II Limited, Elladell Limited, Elladell Mezzanine Leasing Limited and JSC “Aeroflot”, the Engine Warranty Rights Assignment Agreement with respect to the Aircraft bearing MSN 41992 concluded on May 13, 2014 between Babcock & Brown Aviation Finance II Limited, Jeritt Limited, Jeritt Mezzanine Leasing Limited and JSC “Aeroflot”.
- 2.4. The Airframe Warranty Assignments with respect to Aircraft to be concluded, inter alia, between JSC “Aeroflot”, Pobeda Airlines LLC, Babcock & Brown Aviation Finance II Limited, Elladell Mezzanine Leasing Limited/Jeritt Mezzanine Leasing Limited (as the case may be) and The Boeing Corporation.
- 2.5. The Purchase Agreement Assignment with respect to the Aircraft bearing MSN 41991 concluded on April 17, 2014 between Babcock & Brown Aviation Finance II Limited as the Assignor, Elladell Limited as the Assignee, Elladell Mezzanine Leasing Limited and JSC “Aeroflot” and the Purchase Agreement Assignment with respect to the Aircraft bearing MSN 41992 concluded on May 13, 2014 between Babcock & Brown Aviation Finance II Limited as the Assignor, Jeritt Limited as the Assignee, Jeritt Mezzanine Leasing Limited and JSC “Aeroflot”.
- 2.6. Any letters of agreement concluded by JSC “Aeroflot” with any party specified herein and notices, acknowledgments, powers of attorney and other authorizations granted to any party specified herein (including for the deregistration and export of any Aircraft) and other documents required as part of the obligations of JSC “Aeroflot” under the transaction.

The agreements referred to in paragraphs 2.3 - 2.6 are of relevance in the aggregate and constitute an integral part of the series of related transactions. Therefore, the price (monetary value) of the above agreements has not been determined.”.

6. “1. To determine that the price of the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of one Boeing 737-800 aircraft bearing MSN 39441 (with installed CFM56-7B24E engines) shall not exceed US\$ 78,390,000 (seventy-eight million three hundred and ninety thousand US Dollars) (as of April 2015).

2. To recommend that the General Meeting of Shareholders of JSC “Aeroflot” approve the interested party transaction for the sublease to Pobeda Airlines LLC by JSC “Aeroflot” of one Boeing 737-800 aircraft bearing MSN 39441 (with installed CFM56-7B24E engines) leased from AWAS 39441 Ireland II Limited to be concluded on the following material terms and conditions:

Subject matter of the transaction: sublease of one Boeing 737-800 aircraft bearing MSN 39441 with installed CFM56-7B24E engines (the “Aircraft”)

Parties to the transaction:

- JSC “Aeroflot” as the Sublessor;
- Pobeda Airlines LLC as the Sublessee;

Lease term: up to twelve (12) years from the date the Aircraft is delivered to the Sublessee.

Monthly rent: floating, based on three-month LIBOR and calculated using the following formula:

$(BR + ((A - B) \times 10,000 \times AF))$, where:

- BR maximum US\$ 400,000 (four hundred thousand US Dollars); BR is subject to escalation using the escalation factor applied by the aircraft manufacturer from January 1, 2013 to the Aircraft delivery date;
- A six-month LIBOR (rounded to two decimal places) calculated three business days prior to the delivery date, to be adjusted on a regular basis three business days before the end of the relevant six-month LIBOR period up to the end of the Aircraft sublease term;
- B 0.5%
- AF US\$ 293 (two hundred and ninety-three US Dollars). to be reduced during the sublease term on a straight-line basis to US\$ 9 (nine US Dollars);

Security Deposit: maximum US\$ 800,000 (eight thousand US Dollars), payable in either cash or as a standby letter of credit for the Aircraft.

Maintenance Reserve: maximum US\$ 160,000 (one hundred and sixty thousand US Dollars) per month for the Aircraft, based on a maximum of 300 (three hundred) flight hours per month on the Aircraft. The maintenance reserve rates are subject to escalation in accordance with the manufacturer's catalog for engine LLPs and maximum by 3% (three percent) per year for other components.

Insured value of each Aircraft: maximum US\$ 52,000,000 (fifty-two million US Dollars) to be reduced annually by 3% (three percent).

Transaction price: not to exceed US\$78,390,000 (seventy-eight million three hundred and ninety thousand US Dollars).”