

## Information Materials on Agenda Items of the Annual General Meeting of Shareholders

**Agenda item No. 16:** Approval of interested party transactions of PJSC “Aeroflot”, including transactions that may be entered into by PJSC “Aeroflot” in the future in the ordinary course of business

### **The wording of the resolutions on agenda item No. 16:**

16.1. “Be it resolved to approve the interested party transactions between PJSC “Aeroflot” and CJSC “Aeromar” for the provision of in-flight catering services, related products and service equipment to PJSC “Aeroflot” for the period from July 01, 2016 to June 30, 2017 for a total amount not to exceed RUB 11,810,003,424 (eleven billion, eight hundred ten million, three thousand four hundred and twenty-four roubles).”.

16.2. “Be it resolved to approve the interested party transaction between PJSC “Aeroflot” and OJSC “Alfastrahovanie” (Insurer) for liability insurance of the General Director, members of the Board of Directors, Executive Board and representatives of PJSC “Aeroflot” nominated and elected to the Boards of Directors (Supervisory Boards) of PJSC Aeroflot’s subsidiaries and affiliates and PJSC “Aeroflot” for the period from July 15, 2016 to July 15, 2017 with a liability limit of RUB 100,000,000 (one hundred million roubles), covering the risks listed below. Objects of insurance:

- Insurance of the liability of an insured arising from financial losses incurred by others - property interests of the insured related to the risk of having to reimburse other persons for financial losses incurred by them. Insurance against costs and expenses - property interests of an insured related to the risk of incurrance of any costs and expenses. The coverage is not subject to a deductible;
- Property interests of PJSC “Aeroflot” related to the risk of PJSC “Aeroflot” incurring any costs/expenses for reimbursement of damages resulting from any claims brought against an insured. The deductible is \$50,000.  
Insurance of the liability of PJSC “Aeroflot” for financial losses incurred by others - property interests of PJSC “Aeroflot” related to the risk of having to reimburse other persons for financial losses incurred by them. The deductible is \$100,000;
- with a total premium of \$99,000 (ninety-nine thousand US Dollars)”.

16.3. “Be it resolved to approve the interested party transaction between PJSC “Aeroflot” and JSC “Rossiya Airlines” relating to commercial management by PJSC “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 PJSC “Aeroflot” – SU within the range of SU5950-6999 for the period from November 01, 2016 to October 31, 2017, for a total amount not to exceed RUB 65,000,000,000 (sixty-five billion roubles) (excluding VAT) for the projected operations volume of approximately 35,500 regional turnaround flights to be flown by JSC “Rossiya Airlines” over this period.”.

16.4. “Be it resolved to approve the interested party transaction between PJSC “Aeroflot” and JSC “Aurora Airlines” relating to commercial management by PJSC “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 PJSC “Aeroflot” – SU within the range of SU5400-5799 for the period from November 01, 2016 to October 31, 2017, for a total amount not to exceed RUB 16,000,000,000 (sixteen billion roubles) (excluding VAT) for the projected operations volume of approximately 7,000 regional turnaround flights to be flown by JSC “Aurora Airlines” over this period.”.

**Agenda item No.17:** Approval of transactions, one of which is an interested party transaction, involving the financing of the acquisition of ten new regional jet aircraft between JSC “Sukhoi Civil Aircraft”, JSC “Sberbank Leasing” and PJSC “Aeroflot”.

### **The wording of the resolutions on agenda item No.17:**

17. "Be it resolved to approve a series of related transactions, one of which is an interested party transaction, involving the financing of the acquisition of ten new regional jet aircraft Sukhoi Superjet 100 (modification RRJ95B):

a) amending the contract for the supply of regional jet aircraft dated December 7, 2005 between PJSC "Aeroflot" and JSC "Sukhoi Civil Aircraft" (the "2005 Supply Contract") by concluding a supplemental agreement to the 2005 Supply Contract and entering into a tripartite Supply Contract between PJSC "Aeroflot", JSC "Sukhoi Civil Aircraft" and JSC "Sberbank Leasing" (the "2016 Supply Contract");

b) for the acquisition of ten new regional jet aircraft Sukhoi Superjet 100 (modification RRJ95B) by PJSC "Aeroflot" from JSC "Sberbank Leasing" for temporary possession and use under a finance lease;

on the following material terms and conditions:

1.1. The rights and obligations of PJSC "Aeroflot" (Buyer) and JSC "Sukhoi Civil Aircraft" (Supplier) set forth in the 2005 Supply Contract shall be terminated as regards the delivery and transfer of ownership of the aircraft numbered from 21 to 30 to PJSC "Aeroflot" as per the "Delivery and Completion Schedule" under the 2005 Supply Contract (the "Aircraft") for subsequent delivery by JSC "Sukhoi Civil Aircraft" to JSC "Sberbank Leasing" under the 2016 Supply Contract and further provision to PJSC "Aeroflot" for temporary possession and use under a finance lease.

In all other respects (including with respect to the Aircraft for which the rights and obligations of the parties related to delivery and transfer of ownership to PJSC "Aeroflot" are terminated), PJSC "Aeroflot" shall have the rights and obligations of the Buyer under the 2005 Supply Contract, whereas JSC "Sukhoi Civil Aircraft" shall continue to be bound by all other obligations to PJSC "Aeroflot", including the obligation to provide personnel training, maintenance and repair services and support the operation of the Aircraft on the terms and conditions and in the manner set out in the 2016 Supply Contract.

1.2. With respect to each Aircraft for which ownership has been transferred to JSC "Sberbank Leasing" and which has been provided to PJSC "Aeroflot" for temporary possession and use under a finance lease, JSC "Sukhoi Civil Aircraft" shall, not later than 5 (five) business days from the date on which JSC "Sberbank Leasing" makes full payment for the purchase of the Aircraft, repay to PJSC "Aeroflot" the advance payments totalling \$524,480 (five hundred twenty-four thousand four hundred and eighty US dollars) which were previously made by PJSC "Aeroflot" to JSC "Sukhoi Civil Aircraft" under the terms and conditions of the 2005 Supply Contract.

1.3. If JSC "Sukhoi Civil Aircraft" delays the delivery and transfer of ownership of the Aircraft to JSC "Sberbank Leasing" as per the "Delivery Schedule" under the 2016 Supply Contract (the "Schedule"), causing a delay in the provision of the Aircraft to PJSC "Aeroflot" under a finance lease beyond the Schedule, provided that the delay is not due to Force Majeure or Total Loss ("Non-Excusable Delay") as defined in the 2016 Supply Contract, JSC "Sukhoi Civil Aircraft" shall pay to PJSC "Aeroflot" a penalty for delay in delivery of the Aircraft in the amount of \$13,000 (thirteen thousand US dollars) for each day of delay. The penalty shall accrue from the 15<sup>th</sup> (fifteenth) day of the month following the month of delivery of the Aircraft and until the date when PJSC "Aeroflot" receives notice of the commencement of Technical Acceptance from JSC "Sukhoi Civil Aircraft" together with confirmation of acceptance of the Aircraft by an independent inspection organization.

1.4. Under the 2016 Supply Contract, JSC "Sukhoi Civil Aircraft" shall transfer ownership of the Aircraft to JSC "Sberbank Leasing" within the time limits specified in the Schedule, and JSC "Sberbank Leasing" shall take ownership of the Aircraft and pay for them an amount not to exceed \$247,983,900 (two hundred forty-seven million, nine hundred eighty-three thousand and nine hundred US dollars) and further provide the Aircraft to PJSC "Aeroflot" for temporary possession and use under a finance lease. The warranty obligations regarding the quality of the Aircraft (standard and special warranties) as well as personnel training, maintenance and repair services and support for the operation of the Aircraft shall be provided by JSC "Sukhoi Civil Aircraft" to PJSC "Aeroflot" directly.

Term of the 2016 Supply Contract: at least 144 months for each Aircraft from the date of its delivery to JSC "Sberbank Leasing".

The transaction for the acquisition of ten new regional jet aircraft Sukhoi Superjet 100 (modification RRJ95B) by PJSC "Aeroflot" for temporary possession and use under a finance lease shall be concluded on the following material terms and conditions set forth in the Finance Lease Agreement (hereinafter referred to as the "Lease Agreement"):

**Parties to the transaction:** PJSC "Aeroflot" (Lessee) and JSC "Sberbank Leasing" (Lessor).

**Lease term:** not to exceed 144 months for each Aircraft from the date of its delivery to PJSC "Aeroflot".

**Total amount of the transaction:** not to exceed \$416,970,000 (four hundred sixteen million nine hundred seventy thousand US dollars).

**Scheduled transfer of the Aircraft to PJSC “Aeroflot”:** from September 2015 to June 2016.

**Monthly lease payments/price of each Aircraft (A/C) (in US dollars, to be paid in roubles at the exchange rate set by the Central Bank of the Russian Federation on the date the Lessor pays the price of each Aircraft to the Supplier):**

A/C No.	1	2	3	4	5
A/C Price	24,619,968.59	24,662,005.63	24,699,791.53	24,739,734.88	24,777,520.80
Amount of lease payment	185,664.10	185,981.12	186,266.07	186,567.29	186,852.24
A/C No.	6	7	8	9	10
A/C Price	24,819,621.60	24,857,407.50	24,895,949.12	24,936,648.20	24,975,189.82
Amount of lease payment	187,169.74	187,454.68	187,745.33	188,052.25	188,342.90

**Insurance:** PJSC “Aeroflot” shall, at its own expense, procure insurance for each Aircraft against the risk of loss and damage and aviation liability insurance with a combined single limit of liability to passengers and third parties of not less than \$400,000,000 (four hundred million US dollars) each occurrence.

**Standby letter of credit:** PJSC “Aeroflot” shall furnish a bank guarantee for an amount equal to two monthly lease payments per Aircraft for each Aircraft.

**Purchase option:** PJSC “Aeroflot” has the right to purchase each Aircraft before the expiration of the lease at a price equal to the break-up fee to be determined by the parties according to the schedule of lease payments on the date of purchase of the Aircraft, but not to exceed \$27,338,862 (twenty-seven million, three hundred thirty-eight thousand, eight hundred and sixty-two US dollars).

**Additional costs:** In the event that the Central Bank of the Russian Federation sets its key rate above 14% or a new cap (the “Marginal Key Rate”) is set by the rules of granting subsidies to Russian leasing companies approved by Government Resolution No.1073 dated October 22, 2012 after this decision is adopted by the Board of Directors, PJSC “Aeroflot” shall make an additional payment to JSC “Sberbank Leasing” for each period of time between two consecutive monthly payments for the Aircraft (the “Settlement Period”) during which the key rate exceeded the Marginal Key Rate by no more than 100 percentage points, in the amount calculated according to the formula agreed by the parties in the Lease Agreement, but not more than \$23,120 (twenty-three thousand one hundred and twenty US dollars) for each Settlement Period.

If the key rate exceeds the Marginal Key Rate by more than 100 percentage points, PJSC “Aeroflot” shall be entitled to refuse to make the additional payment due to the key rate exceeding the Marginal Key Rate by more than 100 percentage points, and JSC “Sberbank Leasing” shall have the right to terminate the Lease Agreement.

**Early termination of obligations in the event that PJSC “Aeroflot” incurs significant indebtedness:** JSC “Sberbank Leasing” shall be entitled to terminate its obligations under the Lease Agreement without resorting to the courts by declaring the unilateral repudiation of the Lease Agreement if PJSC “Aeroflot” has an overdue debt to third parties, which has been called for payment, under credit, loan, aircraft lease or finance lease agreements in a total amount equal to or greater than \$100,000,000 (one hundred million US dollars), or in an amount equal to or greater than \$50,000,000 (fifty million US dollars) under the following agreements: loan agreements, revolving/non-revolving credit facility agreements, bank guarantee agreements, suretyship agreements, agreements on futures transactions in the financial markets, which have been (may be) concluded during the term of the Lease Agreement between PJSC “Aeroflot” and PJSC “Sberbank of Russia”.