

Major Transactions and Interested Party Transactions

Major transactions

In 2017, PJSC Aeroflot made transactions recognised as major transactions according to Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995; the need to approve such transactions is set forth in Article X of the Federal Law On Joint-Stock Companies. Information on such transactions is contained in the Report on PJSC Aeroflot's Major Transactions in 2017 approved on 29 May 2018 and available in the Materials for General Meetings of Shareholders section of the Company's official website at <http://ir.aeroflot.ru/ru/corporate-governance/general-meeting-of-shareholders/>.

Interested party transactions

In 2017, PJSC Aeroflot made transactions recognised as interested party transactions according to the Federal Law On Joint-Stock Companies; the need to approve such transactions is set forth in Article XI of the Federal Law On Joint-Stock Companies. Information on such transactions is contained in the Report on PJSC Aeroflot's Interested Party Transactions in 2017 approved on 29 May 2018 and available in the Materials for General Meetings of Shareholders section of the Company's official website at <http://ir.aeroflot.ru/ru/corporate-governance/general-meeting-of-shareholders/>.

Execution of Presidential and Governmental Instructions

No.	Document type, date, and number	Summary	Execution status
1		Ensuring the transparency of financial and business activities (Federal Law No. 273-FZ On Countering Corruption dated 25 December 2008, Decree of the President of the Russian Federation No. 309 On Measures to Implement Certain Provisions of the Federal Law On Countering Corruption dated 2 April 2013, Decree of the President of the Russian Federation No. 460 On Approval of the Form of Statement to Inform on Income, Expenses, Property and Property-Related Obligations, and Amendments to Certain Acts of the President of the Russian Federation dated 23 June 2014, Decree of the President of the Russian Federation No. 147 On National Anti-Corruption Plan for 2016–2017 dated 1 April 2016)	
1.1	Decree of the President of the Russian Federation No. 147 On the National Anti-Corruption Plan for 2016–2017 dated 1 April 2016	<p>Clause 2 of the Decree. Establish control over the execution of initiatives stipulated by anti-corruption plans.</p> <p>Clause 5 of the Plan. Continue to form the negative attitude of employees to corruption.</p> <p>Clause 8 of the Plan. Improve the efficiency of anti-corruption initiatives in entities.</p> <p>Clause 15 of the Plan. Make provision to consider the status of anti-corruption efforts at the meetings (sessions) of relevant panels and take specific actions to improve such efforts.</p> <p>Clause 17 of the Plan. a) Conduct professional development training for employees who are in charge of countering corruption at state-owned enterprises (companies) in line with educational programmes approved by the Presidential Executive Office b) Monitor the implementation of anti-corruption initiatives in subsidiaries</p>	<p>In November 2014, PJSC Aeroflot signed up to the Anti-Corruption Charter of Russian Business (certificate No. 0514 dated 5 November 2014) and is actively involved in anti-corruption efforts under the Charter. In 2017, a declaration procedure was conducted via the Chamber of Commerce and Industry of the Russian Federation to verify the completeness, accessibility, and efficiency of anti-corruption measures implemented by PJSC Aeroflot.</p> <p>PJSC Aeroflot is working to implement the Guidelines on Anti-Corruption Risk Management and Internal Controls in Partially State-Owned Joint-Stock Companies (the Guidelines) approved by Order No. 80 of the Federal Agency for State Property Management dated 2 March 2016.</p> <p>On 28 April 2016, PJSC Aeroflot's Board of Directors approved and implemented the Roadmap for Anti-Corruption Risk Management and Internal Control Processes at PJSC Aeroflot.</p> <p>To implement the Roadmap, PJSC Aeroflot:</p> <ul style="list-style-type: none"> – in line with Order No. 143 dated 6 May 2016, introduced the role of Deputy Director of the Department for Economic Security responsible for compliance management at PJSC Aeroflot – developed and approved plans of business units to develop/update operating documents aimed at setting up a risk management and internal control system to prevent and counter corruption – on 5 October 2016, approved the Programme to Develop, Implement, and Ensure the Effectiveness of Initiatives Aimed at Preventing and Countering Corruption Prevention at PJSC Aeroflot, which includes anti-corruption actions undertaken by PJSC Aeroflot on an ongoing basis. <p>Corruption Risk Management Section was added to the Company's Standard STO UR 21.9 Risk Management. Risk Management Procedure. General Provisions (Version 01) in line with Order No. 288 dated 27 July 2017.</p> <p>In August–November 2017, the Internal Audit Department conducted the second annual audit (assessment) of the performance of the Company's anti-corruption risk management and internal controls prescribed by clause 5.3 of the Guidelines. Following the audit, measures to further enhance these processes were developed and implemented.</p> <p>Pursuant to sub-clause a, clause 17 of the National Anti-Corruption Plan for 2016–2017, the Company signed a framework contract with Rosatom Institute for Global Nuclear Safety and Security (since August 2017, reorganized into Rosatom Technical Academy) to arrange for professional development training courses for PJSC Aeroflot's employees, valid until 31 December 2018 (No. 29063984/R922-28/03.05.2017), which provides for professional development training in anti-corruption programmes in line with PJSC Aeroflot's applications for services.</p> <p>Under the contract, employees of PJSC Aeroflot's business units (92 people) completed the following professional development training course: Compliance of Employees of State-Owned Enterprises (Companies) with the Restrictions, Bans, and Liabilities Established to Counter Corruption.</p> <p>Employees of the Legal Department and Department for Economic Security involved in anti-corruption efforts participated in the Corruption Offences Prevention in Corruption Countering workshop conducted by the Prosecutor General's Office of the Russian Federation and the Moscow Government on 18–19 April 2017.</p> <p>The Company participated in:</p> <ul style="list-style-type: none"> – the VI Eurasian Anti-Corruption Forum "Social Control as a Key Factor of Anti-Corruption" conducted by the Institute of Legislation and Comparative Law Under the Government of the Russian Federation on 26–27 April 2017 – the All-Russian Interactive Campaign conducted by the Chamber of Commerce and Industry of the Russian Federation on 11 December 2017 to celebrate the International Anti-Corruption Day. As part of the review of business best practices to counter corporate corruption, PJSC Aeroflot made a presentation on this matter. <p>To inform and educate PJSC Aeroflot's employees on preventing and countering corruption, 28 Anti-Corruption information boards were manufactured and placed in unrestricted access areas of PJSC Aeroflot.</p>
1.2	Instruction of the Government of the Russian Federation No. DM-P17-2666 dated 5 May 2016	<p>Ensure the implementation of the National Anti-Corruption Plan for 2016–2017 and submit appropriate proposals or draft reports: under clauses 2 and 4 of the Decree: as regards the submission of reports on implementing initiatives stipulated by anti-corruption plans</p> <p>quarterly starting from 1 October 2016</p> <p>under clause 5 and sub-clause b, clause 6 of the National Plan</p> <p>by 1 November 2017</p> <p>under clause 8 of the National Plan</p> <p>by 1 July 2016 (remains monitored)</p> <p>under clause 17 of the National Plan</p> <p>by 1 April 2017.</p>	

No.	Document type, date, and number	Summary	Execution status
1.3	The Guidelines on Anti-Corruption Risk Management and Internal Controls in Partially State-Owned Joint-Stock Companies (approved by Order No. 80 of the Federal Agency for State Property Management on 2 March 2016)	<p>Clause 3.1. Identifying and assessing corruption risks, areas (business processes), and operations exposed to corruption risks</p> <p>Clause 4.1. Constant informing of employees, counterparties, and potential business partners on activities to prevent and counter corruption</p> <p>Clause 4.3. Anti-corruption training for all employees</p> <p>Clause 5.2. Regular audit of the performance of anti-corruption risk management and internal controls is conducted within the framework of audits by the Internal Audit Service, as well as external audits (certification) of anti-corruption risk management and internal controls</p>	<p>Materials designed to raise employees' awareness were prepared, including:</p> <ul style="list-style-type: none"> – a quick reference card on criminal liability for bribery and commercial bribery, and administrative action for illegal remuneration on behalf of a legal entity – a quick reference card on liability for committing corruption offences – a booklet "What you need to know about the conflict of interest" – a booklet "Why entities need to take measures to prevent and counter corruption?" <p>The following regulations on preventing and countering corruption were developed and updated:</p> <ul style="list-style-type: none"> – Regulations on the Anti-Corruption and Conflict of Interest Commission at PJSC Aeroflot established in line with Order No. 83 dated 6 March 2017 were developed (Order No. 224 dated 31 May 2017) – Procedure for reporting to the employer on personal interest that leads or may lead to a conflict of interest was updated to cover all PJSC Aeroflot's employees (Order No. 253 dated 29 June 2017), and updated again later (Order No. 20 dated 18 January 2018)
1.4	Instruction of the Government of the Russian Federation No. P17-53932 dated 16 October 2017	<p>Clause 8 of the National Anti-Corruption Plan for 2016–2017 remains monitored.</p> <p>By 1 February 2018, submit information on measures taken to enhance the effectiveness of anti-corruption efforts in entities established to fulfill the tasks set for the Government of the Russian Federation between 15 March 2017 and 1 January 2018.</p>	<p>Specific provisions aimed at preventing and countering corruption were added, in particular, to the following internal regulations of PJSC Aeroflot:</p> <ul style="list-style-type: none"> – Template Regulations on PJSC Aeroflot's Branch, to establish obligations and responsibilities of the directors of branches (Order No. 100 dated 16 March 2017) – Template Regulations on PJSC Aeroflot's Representative Office Abroad, to establish obligations and responsibilities of heads of representative offices (Order No. 115 dated 20 March 2017) – Regulations on Internal Investigation, to cover corruption offences investigation and enable the questioning of employees using a polygraph (Order No. 146 dated 10 April 2017) – Procedure for interaction between business units when procuring goods and services, to determine the requirements to prevent a conflict of interest (Order No. 175 dated 27 April 2017) – The Company's Standard STO DOU 07 Management Document Support. Procedure for Preparation, Signing, Amendment, Execution, and Termination of PJSC Aeroflot's Agreements, to appoint responsible persons and determine the procedure for reporting to the former employee on signing of a civil contract with a citizen who was a public or municipal official within two years after they left public or municipal service (Order No. 243 dated 20 June 2017) – Regulations on the Procurement of Goods, Works, and Services (approved by PJSC Aeroflot's Board of Directors on 23 June 2017), to stipulate anti-corruption requirements to bidders (in line with Federal Law No. 489-FZ dated 28 December 2016), expand requirements for preventing a conflict of interest, and introduce anti-corruption questionnaires for bidders – Template employment contracts with PJSC Aeroflot's employees, to stipulate employees' obligations (Order No. 364 dated 14 September 2017) – Regulations on the Formation and Use of the Charity Fund, to stipulate provisions aimed at preventing and countering corruption in relevant activities (approved by PJSC Aeroflot's Board of Directors on 28 September 2017) – Regulations on PJSC Aeroflot's Commission on Real Estate Disposals (buildings, structures, premises, and land plots), to determine requirements for preventing a conflict of interest (Order No. 478 dated 6 December 2017) – Regulations on business units (including branches and representative offices), their structural units, job descriptions, and instructions for blue collar employees, which were amended to establish anti-corruption obligations and responsibilities of directors and other employees <p>Furthermore, the following initiatives were implemented:</p> <ul style="list-style-type: none"> – Information on PJSC Aeroflot's anti-corruption regulations in the Anti-Corruption Policy section of PJSC Aeroflot's intranet website is updated – Emails describing specific anti-corruption activities implemented in the Company were sent to all corporate email users – Emails detailing certain aspects of implementation of the approved Programme to Develop, Implement, and Ensure the Effectiveness of Initiatives Aimed at Preventing and Countering Corruption at PJSC Aeroflot were sent to all deputy CEOs and directors of business units – Emails dedicated to compliance with the extraterritorial local laws on countering corruption were sent to certain representative offices of PJSC Aeroflot abroad <p>As part of ongoing anti-corruption efforts, PJSC Aeroflot implements the following initiatives:</p> <ul style="list-style-type: none"> – PJSC Aeroflot's employees are briefed on compliance with PJSC Aeroflot's Corporate Conduct Code – All communications coming from Aeroflot Group's employees, customers, business partners, and other parties through the Hotline for Confidential Reports to the Board of Directors (Audit Committee of the Board of Directors) are reviewed

Execution of Presidential and Governmental Instructions continuedd

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			<ul style="list-style-type: none"> – PJSC Aeroflot's regulations and draft regulations are examined to reveal the potential for corruption and eliminate it using the methods approved by Resolution of the Russian Government No. 96 On Anti-Corruption Examination of Statutory Regulations and Draft Statutory Regulations dated 26 February 2010 – PJSC Aeroflot assesses its business partners, competitors, and customers – PJSC Aeroflot collects comprehensive information from its counterparties about their ownership structure including beneficiaries (in particular, ultimate beneficiaries) and composition of their executive bodies, and, and submits this information to competent government authorities – The standard anti-corruption clause is incorporated in contracts and agreements signed with PJSC Aeroflot's counterparties – PJSC Aeroflot examines draft contracts and agreements with Russian and foreign counterparties – The Company oversees the application of legal sanctions for non-compliance with the bans, restrictions, and requirements aimed at countering corruption – The Company regularly controls its accounting records, availability and accuracy of primary accounting documents – PJSC Aeroflot audits the financial and business operations of its business units, branches and representative offices, and subsidiaries – PJSC Aeroflot interacts with law enforcement authorities and other government authorities to matters related to countering corruption within the Company – Information about the execution of instructions is sent to the Executive Office of the Government of the Russian Federation and the Ministry of Transport of the Russian Federation within prescribed timelines
1.5	<p>Article 92 of Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995</p> <p>Chapter VIII of Decree of the Federal Financial Market Service of Russia No. 11-46/pz-n On Approval of the Regulations on Information Disclosure by Securities Issuers dated 4 October 2011</p> <p>Decree of the Ministry of Economic Development of the Russian Federation No. 208 On Approval of Information Disclosure by State-Owned Joint-Stock Companies and by State (Municipal) Unitary Enterprises dated 11 May 2011</p>	<p>Disclose information to the extent and in the manner specified by the federal executive authority for the securities market.</p> <p>Joint-stock companies included in the projected privatisation plan are obliged to disclose information.</p>	<p>Regulations on information exchange through the interdepartmental portal for state property management were approved by PJSC Aeroflot's Board of Directors on 4 April 2012 (Minutes No. 11).</p> <p>Reports on shareholder and investor relations are submitted to the Board of Directors on a quarterly basis.</p> <p>The Company fully complies with the requirements to disclose information set out in Russian laws. In particular, all information is disclosed on PJSC Aeroflot's website and in the news feed.</p> <p>Procedure for submission and disclosure of information on material facts about the Company and information treated as the Company's insider information was approved by Order No. 80 dated 5 March 2015.</p>
1.6	<p>Paragraph 7, clause 2 of Minutes of a meeting held at the office of First Deputy Prime Minister of the Russian Federation Igor Shuvalov No. ISH-P13-98pr dated 3 October 2013</p>	<p>Publish resolutions of boards of directors that are not treated as commercially sensitive information.</p>	<p>Execution is in progress in line with applicable Russian laws on information disclosure.</p> <p>The minutes of PJSC Aeroflot's Board of Directors are posted in the Company's account on the interdepartmental portal for state property management.</p>
1.7	<p>Instruction of the Government of the Russian Federation No. P17-1771 dated 17 January 2017</p>	<p>On submission of:</p> <ul style="list-style-type: none"> – lists of managers who must submit information on their income, expenses, property, and property-related obligations in line with anti-corruption laws by 6 February 2017 – information on their income, expenses, property, and property-related obligations, as well as their spouse's and minor children's income, expenses, property, and property-related obligations for 2016 by 30 April 2017. 	<p>The information was submitted within prescribed timelines.</p>
1.8	<p>Instruction of the Government of the Russian Federation No. P17-46158 dated 4 September 2017</p>	<p>For the purpose of developing a draft regulation which will establish a list of long-term corporate measures to enhance the efficiency of the national anti-corruption policy, submit reasoned proposals to be included in the above list by 1 October 2017.</p>	<p>Proposals were submitted to the Executive Office of the Government of the Russian Federation within prescribed timelines (our reference number of the outgoing document: 09-943, date: 28 September 2017).</p>

No.	Document type, date, and number	Summary	Execution status
2		On specifics of participation of small and medium-sized enterprises in procurement of goods, works, and services by certain types of legal entities (Decree of the President of the Russian Federation No. 287 On Measures to Further Develop Small and Medium-Sized Enterprises dated 5 June 2015, Resolution of the Government of the Russian Federation No. 1352 dated 11 December 2014)	
2.1	Instruction of the Government of the Russian Federation No. 6362p-P13 dated 24 October 2013	<p>Ensure the efficiency of the customer's interaction with small and medium-sized enterprises (SMEs), including as regards procurement of innovative products:</p> <ol style="list-style-type: none"> 1. Set up an Advisory Board in charge of independent audit of procurement efficiency 2. Develop Regulations on the Advisory Board, ensure the transparency of its activities 3. Ensure control over the efficiency of the customer's one-stop-shop system to implement innovative products and results of research, development, and technological work carried out by SMEs, and ensure mutual technology transfer 4. Ensure maximum transparency of the activities of the Advisory Board in charge of independent audit of procurement efficiency 5. Create a special section in the Annual Report on the efficiency of procurement from small and medium-sized enterprises 6. Develop, with the involvement of the Advisory Board's representatives, approve, and put into effect the Regulations on Procedures and Rules for Implementing Innovative Solutions in the Customer's Activities 	<p>The Advisory Board was set up (Order No. 188 dated 19 June 2014), amendments were made (Order No. 91 dated 24 March 2016), the membership structure of the Advisory Board was approved by Instruction No. 242/U dated 18 December 2014, amendments were made (Instruction No. 240/U dated 15 December 2015). Regulations on the Advisory Board were developed (RI-GD-227, Appendix to Order No. 188 dated 19 June 2014).</p> <p>Commercial launch of the one-stop-shop system took place in April 2017.</p> <p>Information on the Advisory Board's activities, including minutes of its meetings, is published in the relevant section of the website at http://www.aeroflot.ru/cms/content/soveshchatelnyi-organ.</p> <p>Section 3.12 Procurement was included in PJSC Aeroflot's Annual Report available on the Company's website at http://ir.aeroflot.ru/ru/akcioneram-i-investoram/.</p> <p>Regulations on Procedures and Rules for Implementing Innovative Solutions (RI-GD-303) were approved by Order No. 248 dated 18 July 2016.</p>

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
		<p>7. Make amendments to the customer's regulations on procurement or other executive documents with respect to procurement involving SMEs only, which stipulate:</p> <ul style="list-style-type: none"> – mandatory granting to SMEs of the right to choose between bank guarantee and cash collateral as the bid security, as well as introduction of additional (to bank guarantee and cash collateral) bid security terms, and granting to small and medium-sized enterprises of the right to select the terms of bid security – mandatory return by the customer of the bid security within no more than seven business days from the announcement of the bidding results to all SME bidders, except for those ranked 1st and 2nd in the bidding – mandatory return by the customer of the bid security within seven business days from signing a contract with SME bidders ranked 1st and 2nd in the bidding – the customer's obligation to limit the term from signing a contract with SMEs to 20 business days – the customer's obligation to set a maximum period for payment for work completed at 10 business days after the date of closing documents with an SME acting as the service provider, and a maximum period of 10 business days from the completion date of obligations secured by a deferred payment if a contract provides for a deferred payment as a security of the supplier's (contractor's, service provider's) obligations – the possibility to assign claims under contracts with SMEs to financial institutions 	<p>Amendments were made. Regulations on Procurement taking into account the specifics of participation of small and medium-sized enterprises were approved by the Board of Directors on 29 April 2016 (Minutes No. 16).</p>
		<p>8. Develop and adopt a mandatory performance measure for the management – the proportion of procurement contracts awarded to SMEs, including procurement of innovative goods (works, services), R&D and technology projects (share of procurement). The share of procurements shall be determined based on the customer's quarterly statistics on the participation of SMEs in customers' procurement, including the procurement of innovative goods (works, services), R&D and technology projects. Design systemic incentive (penalty) measures for compliance (non-compliance) with the above performance measure for the management (aligned with the financial efficiency of the customer's operations)</p>	<p>The relevant measure was included in KPI lists for department director level managers engaged in the procurement of goods, works, and services in 2014. The Achievement of Targets for the Share of Procurement from SMEs KPI weighing 5% was included in the list of bonus KPIs. The KPI is measured based on the year-end results in order to exclude the seasonal factor from the assessment of procurement from SMEs.</p>
		<p>9. Make amendments to the customer's documents on determining relevant statistics and including mandatory measures reflecting the company's innovative development in the list of KPIs for the customer's top management:</p> <ul style="list-style-type: none"> – Overall Productivity KPI with an annual growth of at least 5% until the industry average for foreign peers is achieved in 2018 – Efficient Energy Use KPI with an annual growth of at least 5% until the industry average for foreign peers is achieved in 2018 – Environmental Friendliness KPI not lower than that of foreign peers 	<p>The Overall Productivity KPI (for Aeroflot Group) were included in the list of KPIs of PJSC Aeroflot's CEO/management in 2015.</p>
			<p>The Efficient Energy Use and Environmental Friendliness KPIs were included in PJSC Aeroflot's KPI system and KPI lists for relevant department heads in 2015.</p>

No.	Document type, date, and number	Summary	Execution status
2.2	Instruction of the Government of the Russian Federation No. 7377p-P13 dated 7 December 2013	<p>Ensure the efficiency of the customer's interaction with SMEs, including as regards procurement of innovative products.</p> <p>1. Increase the share of e-procurement in the total annual volume of procurement through public tenders to the extent and within the timelines stipulated in paragraph 7 of the Road Map:</p> <ul style="list-style-type: none"> – the share of e-procurement in the total annual volume of procurement through public tenders in 2015 should be at least 45% – the share of e-procurement in the total annual volume of procurement through public tenders in 2016 should be at least 50% – the share of e-procurement in the total annual volume of procurement through public tenders in 2017 should be at least 60% – the share of e-procurement in the total annual volume of procurement through public tenders in 2018 should be at least 70% <p>2. Make amendments to the customer's regulations on procurement or other executive documents (when approving the specifics of procurement from SMEs) by separate documents stipulating that at least 20% of the annual procurement of standard products should be allocated to procurement of innovative products that can be replaced with innovative products developed by SMEs</p> <p>3. Develop a pilot programme of partnership with SME associations</p> <p>4. Prepare proposals for simplifying the procurement procedure for SMEs by reducing, simplifying, and standardising the documents required for SMEs participation in customers' procurement</p> <p>5. Develop a methodology for determining the life cycle of goods, works and services to be procured</p> <p>6. Develop and introduce criteria for evaluating and comparing bids based on the "life cycle cost of a product or work result" for innovative, high-tech, or technically sophisticated products in the procurement procedures</p> <p>7. Ensure that annual procurement of innovative, hi-tech or technically sophisticated products is conducted using the "life cycle cost of a product or work result" criterion</p>	<p>Execution is in progress taking into account the Company's business specifics.</p> <p>Execution is completed. In 2015, e-procurement accounted for 48.296% of total procurement by value.</p> <p>Execution is completed. In 2016, e-procurement accounted for 56.36% of total procurement by value.</p> <p>Execution is completed. In 2017, e-procurement accounted for 61.09% of total procurement by value.</p> <p>Execution is scheduled for 2018.</p> <p>Amendments were made. The version of the Regulations on Procurement of Goods, Works, and Services was approved by PJSC Aeroflot's Board of Directors on 20 May 2016 (Minutes No. 67).</p> <p>The pilot programme of the Company's partnership with SMEs was developed and approved by the CEO's Order No. 408 dated 25 November 2015. As at 1 January 2018, 35 SMEs joined the pilot partnership programme.</p> <p>Procurement document templates were approved, with a focus on the procurement procedures in place at the Company (requests for proposals, tender). Document templates were developed taking into account the simplified participation of SMEs in procurement.</p> <p>The methodology for determining the life cycle of goods, works, and services to be procured (the Methodology) was approved by the CEO's Order No. 321 dated 28 September 2015 after obtaining a positive opinion of the auditor, Higher School of Economics (No. 6.18.1-19/1706-06 dated 17 June 2015).</p> <p>Execution is in progress in line with the approved Methodology.</p> <p>Execution is in progress in line with the approved Methodology.</p>

Execution of Presidential and Governmental Instructions continued

2.3 Decree of the Government of the Russian Federation No. 2258-r dated 6 October 2015, Resolution of the Government of the Russian Federation No. 1169 dated 29 October 2015	On assessment of draft plans for procurement of goods, works, and services; draft plans for procurement of innovative and high-tech products, pharmaceutical products; draft amendments to these plans, prior to approval, for their compliance with Russian laws providing for SMEs participation in procurement and the requirements of JSC Russian Small and Medium Business Corporation (RSMB Corporation).	PJSC Aeroflot's draft procurement plan for purchases of goods, works, and services in 2017 was published in the unified information system on 26 December 2016, No. 2160197696 (notification No. P2160197696001) and complies with Russian laws (Findings of RSMB Corporation No. OZS-1208/2016 dated 26 December 2016). All amendments to the plan were published in the unified information system in due time and their compliance with Russian laws was approved by RSMB Corporation. The CEO of RSMB Corporation Alexander Braverman highly appreciated PJSC Aeroflot's efforts to increase the procurement of goods, works, and services from SMEs; for significant contribution to SMEs development, he also expressed his acknowledgement to PJSC Aeroflot's CEO, Deputy CEO for Legal and Property Matters Vladimir Alexandrov, as well as the Company's employees; Mr Garnov and Ms Mochalova, employees of the Procurement Management Department were noted for being highly professional and competent (Letter No. AB-11/894 dated 24 January 2018, our reference number: 740, date: 29 January 2018).
3 On procurement		
3.1 Clause 2 of the List of Instructions issued by the Government of the Russian Federation No. DM-P9-8413 dated 12 December 2015 on procurement regulation and the development of relevant procurement regulations for purchases of goods, works, and services Instruction of the Government of the Russian Federation No. 2793p-P13 dated 19 April 2016 (our reference number: 3773, date: 17 May 2016)	<p>Instructions:</p> <ol style="list-style-type: none"> 1. Develop and adopt procurement regulations for purchases of goods, works, and services by 30 April 2016. Procurement regulations shall specify price limits for listed goods, works, and services, and/or requirements to their quantity, usability, and other characteristics. The regulations shall focus on meeting the needs of customers without promoting purchases of goods, works, and services with excessive consumer properties 2. Publish procurement regulations on websites of joint-stock companies by 30 April 2016 3. Starting from 1 May 2016, ensure mandatory application of procurement regulations when planning business activities 4. Starting from 2017, conduct annual monitoring (on a year-on-year basis) of procurement performance in joint-stock companies, including adherence to the requirements of the approved procurement plan and relevant regulations for purchases of goods, works, and services for the needs of joint-stock companies, as well as fitness of the goods, works, and services purchased by joint-stock companies for purposes of their business defined in the articles of association 5. Annually adjust (update) procurement regulations for purchases of goods, works, and services for the needs of joint-stock companies. Implement these requirements across subsidiaries and associates 	<p>The list of certain goods, works, and services which shall comply with the requirements set out for their usability and other characteristics was approved by the CEO's Order No. 296 dated 23 August 2016.</p> <p>The list was published on PJSC Aeroflot's website (Documents subsection, Sales and Procurement section).</p> <p>The report On Procurement Activities is submitted to the Management Board and the Board of Directors of PJSC Aeroflot on a quarterly basis. Furthermore, annual monitoring of procurement activities is conducted by the Revision Committee with a mandatory report by the Chairman of the Bidding Commission and the Director of the Procurement Management Department.</p> <p>A meeting of the Advisory Board in charge of independent audit of PJSC Aeroflot's procurement efficiency takes place on a quarterly basis. The minutes of meetings are available on the Company's website.</p> <p>The order does not need to be amended (Order No. 296 dated 23 August 2016).</p> <p>The requirements apply to the subsidiaries which arrange for the approval of reports on procurement activities.</p>

No.	Document type, date, and number	Summary	Execution status
3.2	Instruction of the Government of the Russian Federation No. 6558p-P13 On Amendments to the Company's Procurement Policy for Purchases of Innovative Building Materials dated 5 September 2016 (our reference number: 6855, date: 12 September 2016)	<p>Instructions:</p> <ul style="list-style-type: none"> – amend the procurement policy to give priority to purchases of innovative building materials made in Russia – amend the procurement policy to provide an opportunity to sign long-term contracts with Russian manufacturers of building materials for supply of innovative building materials with guaranteed supply volumes in the future, and with the manufacturers that have duly entered into special investment agreements to start manufacturing these products – implement the directives across subsidiaries of joint-stock companies. 	<p>The Regulations on Procurement of Goods, Works, and Services were amended to give priority to purchases of innovative building materials made in Russia and provide an opportunity to sign long-term contracts with Russian manufacturers of building materials for supply of innovative building materials with guaranteed supply volumes in the future, and with the manufacturers that have duly entered into special investment agreements to start manufacturing these products (clause 6.1.2.8). The respective version of the Regulations on Procurement of Goods, Works, and Services (RI-GD-148E) was approved by the resolution of the Board of Directors dated 17 October 2016 (Minutes No. 3). The current version of the Regulations (RI-GD-148G) includes the above provisions.</p> <p>The directives are complied with by the subsidiaries in line with the Resolution of PJSC Aeroflot's Board of Directors dated 17 October 2016 (Minutes No. 3).</p>
3.3	Instruction of the Government of the Russian Federation No. 7704p-P13 On Expanding the Use of Factoring when Executing Agreements for the Supply of Goods (Performance of Works, Provision of Services) dated 11 October 2016 (our reference number: 7711, date: 17 October 2016)	<p>Amend the Company's procurement regulations to establish procedures for sale of receivables (factoring) when executing agreements for the supply of goods (performance of works, provision of services) signed by the Company and small and medium-sized enterprises based on purchases made using methods specified in the procurement regulations excluding tenders as defined in Russian civil laws.</p>	<p>The version of the Regulations on Procurement of Goods, Works, and Services (RI-GD-148G) was approved by the Board of Directors on 28 September 2017 (Minutes No. 3): "Clause 6.1.5. When conducting procurement procedures involving SMEs only, the customer shall ensure:</p> <p>f) the possibility to assign the claims under procurement contracts with mandatory inclusion in this contract of the terms stipulated by clause 20.23 of RI-GD-148X to a company (financial agent) which signed a loan agreement with a SME against assignment of the claims (factoring agreements)."</p>
4	On long-term planning and operational performance improvement at state-owned companies (List of Instructions of the President of the Russian Federation No. Pr-3013 dated 27 December 2014)		
4.1	List of Instructions of the President of the Russian Federation No. Pr-3086 dated 27 December 2013 Instruction of First Deputy Prime Minister of the Russian Federation Igor Shuvalov No. 4955p-P13 dated 17 July 2014	<p>Instructions:</p> <ul style="list-style-type: none"> – Develop and approve the Long-Term Development Programme (the LDP) – Audit the implementation of the LDP and approve a relevant audit standard – Amend the regulations on remuneration of the sole executive body 	<p>Aeroflot Group's Development Strategy 2025 was approved by the Board of Directors on 2 December 2014 (Minutes No. 8) and has been updated in line with the 2014 Long-Term Development Programme Development Guidelines of the Federal Agency for State Property Management for Strategic Public Joint-Stock Companies and Federal State Enterprises.</p> <p>The Standard on, and Terms of Reference for, Auditing the Implementation of the of Aeroflot Group's LDP were developed and approved by PJSC Aeroflot's Board of Directors on 29 January 2015 (Minutes No. 10).</p> <p>The Regulations on Updating and Managing the Implementation of Aeroflot Group's Long-Term Development Programme were approved by Order No. 126 dated 27 March 2017.</p> <p>Progress Reports on Aeroflot Group's Long-Term Development Programme and Achievement of Key Performance Indicators for 2017 are reviewed and approved by PJSC Aeroflot's Board of Directors on a quarterly basis (Minutes No. 3 dated 28 September 2017 and No. 7 dated 21 December 2017).</p> <p>The audit of the LDP implementation at Aeroflot Group in 2016 was conducted by BDO Unicon; the report was reviewed by PJSC Aeroflot's Board of Directors on 28 April 2017 (Minutes No. 14).</p> <p>The Regulations on PJSC Aeroflot's Key Performance Indicators and the list of KPIs were approved by PJSC Aeroflot's Board of Directors on 28 April 2016 (Minutes No. 15) and introduced by Order No. 203 dated 28 June 2016.</p> <p>The Terms of Reference for Auditing the Implementation of the of Aeroflot Group's and Achievement of Key Performance Indicators for 2017 were approved by PJSC Aeroflot's Board of Directors on 26 October 2017 (Minutes No. 4).</p> <p>The updated LDP 2018–2022 of Aeroflot Group was approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7).</p>

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
4.2	Instruction of the President of the Russian Federation No. Pr-3013 dated 27 December 2014 Methodology for Analysis of Implementation of Internal Regulations approved in line with the List of Instructions of the President of the Russian Federation No. Pr-3013 dated 27 December 2014 (developed by the Russian Ministry of Economic Development)	1. The JSC shall develop and approve: the development strategy the long-term development programme (LDP)	Aeroflot Group's Development Strategy 2025 (LDP) was approved by the Board of Directors on 2 December 2014 (Minutes No. 8) and has been updated in line with the 2014 LDP Development Guidelines of the Federal Agency for State Property Management for Strategic Public Joint-Stock Companies and Federal State Enterprises.
	Instruction of the Government of the Russian Federation No. 2007p-P13 dated 6 April 2015	the procedures for the development and approval of LDP auditing standards	The Standard on Auditing the Implementation of Aeroflot Group's LDP was developed and approved by PJSC Aeroflot's Board of Directors on 29 January 2015 (Minutes No. 10).
	Instruction of the President of the Russian Federation No. Pr-769 dated 26 April 2016	the regulations on key performance indicators (KPIs)	The Regulations on PJSC Aeroflot's Key Performance Indicators and the list of KPIs were approved by PJSC Aeroflot's Board of Directors on 28 April 2016 (Minutes No. 15) and introduced by CEO's Order No. 203 dated 28 June 2016. The updated Regulations on PJSC Aeroflot's Key Performance Indicators were approved by PJSC Aeroflot's Board of Directors on 28 September 2017 (Minutes No. 3) and introduced by Order No. 452 dated 22 November 2017.
	Instruction of the Government of the Russian Federation No. ISh-P13-2747 dated 10 May 2016 (clause 1)	the regulations on operational and investment performance improvement and cost reduction	The Regulations on Operational and Investment Performance Improvement and Cost Reduction was approved by PJSC Aeroflot's Board of Directors on 21 December 2015 (Minutes No. 8) and introduced by Order No. 153 dated 19 May 2016.
	Instruction of the Government of the Russian Federation No. AD-P36-4292 dated 20 July 2016 (clause 6)	the investment programme	Aeroflot Group's Investment Programme makes part of the Group's LDP.
	Instruction of the Government of the Russian Federation No. ISh-P13-8144 dated 30 December 2016	the regulations on internal audit	The Regulations on Internal Audit at Aeroflot Group were approved by PJSC Aeroflot's Board of Directors on 1 October 2015 (Minutes No. 4).
		the regulations on the quality management system	The Operational Quality Guidelines have been in place at PJSC Aeroflot since 15 May 2004 (No. 16/I dated 6 May 2014) and the revised Guidelines were approved by PJSC Aeroflot's Board of Directors on 2 February 2018 (Minutes No. 9).
		the regulations on the procedure for developing and implementing the innovative development programme	The Regulations on the Procedure for Developing and Implementing the Innovative Development Programme were approved by PJSC Aeroflot's Board of Directors on 26 November 2015 (Minutes No. 7).
		the regulations on the formation and use of the sponsorship and charity funds	The Regulations on the Formation and Use of the Charity Fund were introduced by Order No. 74 dated 16 March 2016 and the revised Regulations were approved by PJSC Aeroflot's Board of Directors on 28 September 2017 (Minutes No. 3).
		the innovative development programme	The Regulations on the Formation and Use of the Sponsorship Fund were introduced by Order No. 94 dated 29 March 2016 and the new version was approved by PJSC Aeroflot's Board of Directors on 28 September 2017 (Minutes No. 3). Aeroflot Group developed the Innovative Development Programme 2025 and obtained its approval from federal executive authorities, the Interdepartmental Committee for Technological Development at the Praesidium of the Presidential Council of the Russian Federation on Economic Modernisation and Innovative Development of Russia as specified in the Regulations. PJSC Aeroflot's Board of Directors approved the Programme on 25 August 2016 (Minutes No. 1).
		the regulations on procurement	The Regulations on Procurement of Goods, Works, and Services have been in place at PJSC Aeroflot since 4 April 2012, the revised Regulations were approved by PJSC Aeroflot's Board of Directors on 28 September 2017 (Minutes No. 3).
		the regulations on committees of the board of directors	The Regulations on the Personnel and Remuneration Committee were approved by PJSC Aeroflot's Board of Directors on 23 December 2016 (Minutes No. 8). The Regulations on the Audit Committee were approved by PJSC Aeroflot's Board of Directors on 28 January 2016 (Minutes No. 10).
		the regulations on remuneration of the JSC's management, members of the board of directors, members of the revision committee, including a section providing that the JSC's sole executive bodies' remuneration and responsibility shall be subject to the achievement of the KPIs detailed in the LDP	The Regulations on the Strategy Committee were approved by PJSC Aeroflot's Board of Directors on 1 September 2011 (Minutes No. 3).
		the regulations on non-core assets disposal	The Regulations on Remuneration and Compensation Payments to the Members of the Board of Directors of PJSC Aeroflot were approved by the Annual Meeting of Shareholders on 26 June 2017 (Minutes No. 40). PJSC Aeroflot has in place a Programme for Non-Core Assets Disposal which includes the procedure for identifying and valuating non-core assets, as well as disposal methods and procedures.

No.	Document type, date, and number	Summary	Execution status
		the programme for non-core assets disposal	The Programme for Non-Core Assets Disposal of JSC Aeroflot was approved by JSC Aeroflot's Board of Directors on 26 July 2012 (Minutes No. 1). The updated Programme for Non-Core Assets Disposal of PJSC Aeroflot was approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7).
		the programme on energy saving and efficiency	The JSC Aeroflot's Energy Saving and Environmental Performance Programme until 2020 was approved by JSC Aeroflot's Board of Directors on 18 August 2008 (Minutes No. 2).
		the procedure for using voluntary environmental protection tools	The Procedure for Using Voluntary Environmental Protection Tools is set up in the Environmental Management Guidelines in place since 30 January 2010. The updated Environmental Management Guidelines were approved and introduced by Order No. 39 dated 10 February 2016.
		the regulations on the risk management system	The Regulations on Aeroflot Group's Risk Management System, Aeroflot Group's Risk Register, Aeroflot Group's Risk Map, and Aeroflot Group's Risk Appetite Statement were approved by the resolution of the Board of Directors dated 21 December 2017 (Minutes No. 7).
		2. Submit to federal executive authorities the analysis of internal documents implementation by 1 March on an annual basis	The report on the implementation of the List of Instructions of the President of the Russian Federation No. Pr-3013 dated 27 December 2014 was submitted to the Russian Ministry of Transport within prescribed timelines. The interactive versions of questionnaires and the information on the development and approval of mandatory internal documents at PJSC Aeroflot are posted in the Company's account on the interdepartmental portal for state property management.
		3. Modify the structure of the Company's annual report by adding information on areas and amounts of sponsorship and charitable contributions made by the Company, its subsidiaries, and associates during the reporting period (starting from reporting for the 2015–2016 corporate year)	PJSC Aeroflot's Annual Report for 2016 was prepared in line with the directives, approved by PJSC Aeroflot's Board of Directors on 25 May 2017 (Minutes No. 15), and by the General Meeting of Shareholders on 26 June 2017.
		4. The Company and its subsidiaries and associates shall submit reports on the utilization of the sponsorship and charity fund through the interdepartmental portal for state property management on the Internet on a quarterly basis (by the 15th day of the month following the reporting quarter, starting from reporting for Q4 2015)	The information is posted in the Company's account on the interdepartmental portal for state property management in the Instructions section – "Instruction No. 17 Long-Term Development Programme" and "Instruction No. 20 The Company's Internal Documents".
4.3	Instruction of the Government of the Russian Federation No. AD-P36-4292 dated 20 July 2016	Boards of directors shall approve the plans stipulating consideration of the following matters at the meetings of the boards of directors (after preliminary consideration by the personnel and remuneration committee and the investment committee, starting from the next reporting period in 2016): – Quarterly reporting on the implementation of the LDP and achievement of KPIs – Assessment of expected KPIs, analysis of reasons for difference between actual and target KPIs – Adoption of a remedial plan in case of significant difference between actual and target KPIs – Approval of the amount of quarterly and annual remuneration based on KPI achievement	These matters are included for consideration in PJSC Aeroflot's Board of Directors action plan for July 2017 – June 2018 (based on the results of the reporting period). Progress Reports on Aeroflot Group's Long-Term Development Programme and Achievement of Key Performance Indicators are reviewed and approved by PJSC Aeroflot's Board of Directors on a quarterly basis. Quarterly progress reports on Aeroflot Group's LDP for 2017 are approved by PJSC Aeroflot's Board of Directors (Minutes No. 3 dated 28 September 2017 and No. 7 dated 21 December 2017). Quarterly reports on achievement of key performance indicators include assessment of expected KPIs, analysis of reasons for difference between actual and target KPIs, and a remedial plan (in case of significant difference between actual and target KPIs). PJSC Aeroflot's Board of Directors approves the amount of bonus payments to PJSC Aeroflot's management following KPI achievement during the reporting period.

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
5	On developing (updating) innovative development programmes		
	Guidelines on Adjusting Innovative Development Programmes approved by Deputy Prime Minister of the Russian Federation Arkady Dvorkovich (No. AD-P36-621 dated 9 February 2016)		
5.1	Minutes of the Meeting of the Praesidium of the Presidential Council of the Russian Federation on Economic Modernisation and Innovative Development of Russia No. 2 dated 17 April 2015 (sub-clause a, clause 2, section II) (our reference number: 3907, date: 14 May 2015)	On the need to update (develop) and approve innovative development programmes subject to the Guidelines (Appendix 1 to the Minutes).	The Board of Directors approved the Regulations on the Procedure for Developing and Implementing the Innovative Development Programme on 26 November 2015 (Minutes No. 7). Aeroflot Group developed the Innovative Development Programme 2025 and obtained its approval from federal executive authorities, the Interdepartmental Committee for Technological Development at the Praesidium of the Presidential Council of the Russian Federation on Economic Modernisation and Innovative Development of Russia as specified in the Regulations. PJSC Aeroflot's Board of Directors approved the Programme on 25 August 2016 (Minutes No. 1).
5.2	Instruction of the Government of the Russian Federation No. 1471p-P13 dated 3 March 2016	Instructions: – Approve the innovative development programme developed (updated) in line with the Guidelines approved by Instruction No. DM-P36-7563 and the Regulations approved by Instruction No. DM-P36-7563 – Annually report on the implementation of innovative development programmes to federal executive bodies in line with the Regulations	The report on the implementation of PJSC Aeroflot's Innovative Development Programme in 2016 was approved by PJSC Aeroflot's Board of Directors on 29 May 2017 (Minutes No. 16) and submitted to federal executive authorities in line with the Regulations. The Integrated Innovation Key Performance Indicator (IKPI) (for Aeroflot Group) has been included in the KPI list of Aeroflot Group's Long-Term Development Programme and PJSC Aeroflot's KPIs for senior management since 2016 and is taken into account when determining the amount of senior management's (including CEO's) bonus payments for KPI achievement.
5.3	Instruction of the Government of the Russian Federation No. 1472p-P13 dated 3 March 2016	Starting from 2016, include the integrated key performance indicator reflecting innovation performance in the list of key performance indicators within long-term development programmes and in the list of key performance indicators for the senior management, and take this integrated KPI into account when calculating the amount of incentive remuneration for the Company's management including the Company's sole executive body.	The final assessment of the Innovative Development Programme (IDP) update at PJSC Aeroflot in 2016 totalled 95.33%. To implement the decisions made at the Meeting of the Inter-Agency Working Group on Supporting Innovative Development Priorities of the Praesidium of the Presidential Council for Economic Modernisation and Innovative Development of Russia, a List of Instructions (No. 47/PI dated 30 June 2017) was developed. The results of the independent assessment of the IDP implementation quality, as well as proposals on improving the quality of IDP preparation and implementation were reviewed at the meeting of PJSC Aeroflot's Board of Directors on 28 September 2017 (Minutes No. 3).

No.	Document type, date, and number	Summary	Execution status
5.4	Minutes of the Meeting of the Inter-Agency Working Group on Supporting Innovative Development Priorities of the Praesidium of the Presidential Council for Economic Modernisation and Innovative Development of Russia chaired by Deputy Prime Minister of the Russian Federation Arkady Dvorkovich No. 1 dated 14 April 2017 (our reference number: 3912, date: 17 May 2017)	<p>Clause 4, section I.</p> <p>Ensure the review of the rating, as well as the proposals of state-owned companies' senior management on quality improvement of preparation and implementation of their innovative development programmes (the IDP) at the meetings of the Board of Directors.</p> <p>Clause 4, section II.</p> <p>The IIKPIs for 2017 were approved for the indicators lower than the actual 2014–2016 values.</p> <p>Ensure the target IIKPI approval for 2018 for the indicators not lower than the average value for the past five years (2013–2017) by 1 March 2018.</p> <p>Clause 4, section III.</p> <p>Instructions:</p> <p>1) Benchmark own level of technological development and current KPI values against such of the leading foreign peers</p> <p>2) Develop proposals on the IIKPIs for 2019 based on the specified assessment and submit them for approval to federal executive authorities by 1 December 2017</p> <p>Clause 15, section III.</p> <p>Following the review of industries' development strategies, ensure update of corporate strategies, LDPs, KPIs, and IDPs.</p>	<p>The proposals on the target IIKPI of Aeroflot Group, as well as proposals on the change in IIKPI calculation method were submitted to the Russian Ministry of Transport (our reference number of the outgoing document: 511-2, date: 17 January 2018).</p> <p>On 27 December 2017, the Company signed an agreement with Lomonosov Moscow State University for the research activities on PJSC Aeroflot's Innovative Development Benchmarking against international peers to include its results in the IDP.</p> <p>The development of the IIKPIs for 2019 was rescheduled for May 2018 (Minutes of the Meeting of the Inter-Agency Working Group on Supporting Innovative Development Priorities of the Praesidium of the Presidential Council for Economic Modernisation and Innovative Development of Russia No. 2 dated 19 September 2017, clause 3, section IV).</p> <p>The updated LDP 2018–2022 of Aeroflot Group was approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7).</p>
6	On the implementation of KPI-based manager bonus system to reduce operating expenses (costs) by at least 2%–3% annually (List of Instructions of the President of the Russian Federation No. Pr-2821 dated 5 December 2014)		
6.1	Instruction of the Government of the Russian Federation No. 4750p-P13 dated 4 July 2016	<p>On making decisions providing for the following:</p> <p>– Development (update) by companies and their subsidiaries (if any), within one month, of a set of measures (list of measures) as part of the long-term development programme aimed at achieving the KPI of reducing operating expenses (costs) by at least 10% in 2016 taking into account the need to implement the initiatives specified in the Directives of the Government of the Russian Federation No. 2303-p-P13 dated 16 April 2015</p> <p>– Consideration of management reports on the implementation of the set of measures (list of measures) to reduce operating expenses (costs) at meetings of the boards of directors (supervisory boards) on a quarterly basis</p> <p>– Submission of companies' reports on the implementation of the set of measures (list of measures) to reduce operating expenses (costs) considered and approved by the board of directors (supervisory boards) to industry federal executive authorities on a quarterly basis</p>	<p>The set of measures (list of measures) aimed at achieving the KPI of reducing operating expenses (costs) at Aeroflot Group by at least 2%–3% annually, as well as at determining target measures for the implementation of the above activities was included in the respective section of the LDP on 19 June 2015.</p> <p>In line with the Instruction of the Government on the reducing operating expenses (costs) by at least 10% in 2016, the Operating Expenses Optimisation Programme at the Group was updated on 2 November 2016.</p> <p>The set of measures aimed at reducing operating expenses (costs) in 2016 was reviewed by PJSC Aeroflot's Board of Directors on 20 April 2017 and was considered fully completed (Minutes No. 14).</p> <p>The CASK KPI (for Aeroflot Group) was approved for 2017 (Order No. 465 dated 30 December 2016). Target KPI achievement is guided by the Regulations on PJSC Aeroflot's Key Performance Indicators and does not require the development of separate activities. The values of the operating expenses (costs) KPI are included in the Aeroflot Group's KPI system.</p> <p>The report on the implementation of the set of measures aimed at reducing operating expenses is submitted for approval to PJSC Aeroflot's Board of Directors and submitted to the industry federal executive authority (Federal Agency for State Property Management) on a quarterly basis.</p>

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
7		On disposal of non-core assets (Paragraph 4, sub-clause c, clause 2 of Decree of the President of the Russian Federation No. 596 dated 7 May 2012 On Long-Term National Economic Policy, Instruction of the Government of the Russian Federation No. ISh-P13-668 dated 31 January 2014 and No. DM-P13-8542 dated 19 November 2014, Instruction of President of the Russian Federation Vladimir Putin No. 348 dated 22 February 2016)	
7.1	Paragraph 4, sub-clause c, clause 2 of Decree of the President of the Russian Federation No. 596 dated 7 May 2012 On Long-Term National Economic Policy Instruction of the Government of the Russian Federation No. 4863p-P13 dated 7 July 2016 Guidelines on Identification of Non-Core Assets Disposal (approved by Instruction of the Government of the Russian Federation No. ISh-P13-4065 dated 7 July 2016) Guidelines on Identification and Disposal of Non-Core Assets (approved by Resolution of the Government of the Russian Federation No. 894-r dated 10 May 2017)	<ol style="list-style-type: none"> Develop (update) programmes for the disposal of the joint-stock company's non-core assets and the register of the joint-stock company's non-core assets in line with the Guidelines Approve the programme (updates to the programme) for, and the register of, non-core assets Instructions: <ul style="list-style-type: none"> Approve the annual plan for the implementation of the programme for disposal of the joint-stock company's non-core assets broken down by quarter and publish the plan on the interdepartmental portal for state property management Consider the joint-stock company's progress reports on the programme at the meetings of the board of directors (supervisory board) on a quarterly basis and publish the relevant materials signed by the joint-stock company's authorised person on the interdepartmental portal for state property management Timely publish all the necessary well-developed information on disposal of non-core assets as specified by the Federal Agency for State Property Management on the interdepartmental portal for state property management Implement the provisions of these directives across subsidiaries of joint-stock companies 	<p>The Programme for Non-Core Assets Disposal was approved by JSC Aeroflot's Board of Directors on 26 July 2012 (Minutes No. 1).</p> <p>The updated Programme for Non-Core Assets Disposal (including the Register of Non-Core Assets and the Action Plan on Non-Core Assets Disposal of PJSC Aeroflot) was approved by PJSC Aeroflot's Board of Directors on 17 October 2016 (Minutes No. 3)</p> <p>PJSC Aeroflot's Programme for Non-Core Assets Disposal updated in line with the Guidelines on Identification of Non-Core Assets Disposal, Register of Non-Core Assets (Appendix 1 to the Programme), and Action Plan on Non-Core Assets Disposal (Appendix 2 to the Programme) were approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7).</p> <p>The progress reports on the Programme for Non-Core Assets Disposal are reviewed at the meetings of PJSC Aeroflot's Board of Directors on a quarterly basis.</p> <p>The information is posted in the Company's account on the interdepartmental portal for state property management in the Instructions section – "Instruction No. 10 Non-Core Assets Structure Optimisation" within prescribed timelines since 2015.</p> <p>The audit of assets was conducted in the Company's subsidiaries, following which non-core assets were identified in Rossiya airline and included in the Rossiya airline's Programme for Non-Core Assets Disposal (Rossiya airline's Board of Directors on 31 March 2017). The Board of Directors of Rossiya airline decided review the progress report on the Programme on a quarterly basis on 12 July 2017. The respective materials are reviewed by the Board of Directors of Rossiya airline within prescribed timelines.</p>
7.2	Instruction of the Government of the Russian Federation No. 6604p-P13 dated 18 September 2017	By 1 November 2017, amend the employment contract with the sole executive body of the joint-stock company (the person performing his/her duties) in terms of including provisions on personal responsibility for untimely disclosure of information or disclosure of misleading information on non-core assets disposal on the interdepartmental portal for state property management.	The resolution on amending the employment agreement with PJSC Aeroflot's CEO was passed by the Board of Directors on 1 February 2018 (Minutes No. 8).

No.	Document type, date, and number	Summary	Execution status
8	On managing intellectual property rights		
8.1	Clause 34 of the Action Plan to implement the Social and Economic Development Strategy of the Central Federal District until 2012 approved by Resolution of the Government of the Russian Federation No. 2564-r dated 27 December 2012 Instruction of the Government of the Russian Federation No. ISh-P8-800 dated 4 February 2014 Recommendations on Intellectual Property Rights (the IPR) Management (approved by Instruction of the Government of the Russian Federation No. ISh-P8-5594 dated 25 August 2017) Instruction of the Government of the Russian Federation No. 9177p-P13 dated 12 December 2017	<p>1. Develop and approve Key Regulations on IPR Management and an Action Plan on their implementation in line with the Recommendations of the Federal Agency for State Property Management and the company's innovative development programme</p> <p>2. Appoint the official responsible for the efficient operation of the IPR management system, and the implementation of the Key Regulations and the Action Plan</p> <p>Instructions:</p> <ol style="list-style-type: none"> 1. Ensure the analysis of IPR management in line with the Recommendations 2. Develop a programme or make amendments to the existing programme (if needed) for IPR management 3. Post and later update the information on the IPR management programme implementation on the interdepartmental portal for state property management 	<p>Regulations on Intellectual Property Rights Management (RI-GD-224) were approved by Order No. 263 dated 29 July 2016.</p> <p>The Action Plan on Intellectual Property Rights Registration was developed and approved for the rights identified during the audit in December 2016.</p> <p>The business process "Intellectual Property Rights Management" (BP-511-003) was approved on 31 March 2017.</p> <p>The Deputy CEO for Customer Relations was appointed responsible for the implementation of the Regulations on Intellectual Property Rights Management.</p> <p>The matter was reviewed at the meeting of PJSC Aeroflot's Board of Directors on 2 February 2018 (Minutes No. 9).</p> <p>In September 2018, the Management Board of PJSC Aeroflot shall:</p> <ol style="list-style-type: none"> 1. conduct the analysis of intellectual property rights management system of PJSC Aeroflot in line with the Recommendations on Intellectual Property Rights Management in Entities approved by Instruction of the Government of the Russian Federation No. ISh-P8-5594 dated 25 August 2017 (the Recommendations) and submit the results of the analysis at a Board of Directors meeting 2. ensure the update of the Regulations on Intellectual Property Rights Management (RI-GD-224) in line with the Recommendations 3. ensure posting and further updating of the information on the implementation of the Regulations on Intellectual Property Rights Management (RI-GD-224) on the interdepartmental portal for state property management.

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
9	On scheduled substitution of imported products (works, services) with those of Russian origin (works, services), having similar specifications and consumer properties		
9.1	Directives of the Government of the Russian Federation No. 4972p-P13 dated 11 July 2016 (our reference number: 5553, date: 25 July 2016)	<p>Instructions:</p> <p>1. Amend the regulations on the joint-stock company's procurement processes so as to ensure the following:</p> <p>1.1 Procurement requirements and other local regulations, which are subject to approval when making any purchases of the computer and database software available, irrespective of the type of agreement, on physical media and/or in electronic form through communication channels and of the right to use the software, including temporary use, shall provide for submission of bids offering only such software which is included in the unified register of Russian computer and database software (the Register) that was developed in line with Article 12.1 of Federal Law No. 149-FZ On Information, Information Technology and Information Protection dated 27 July 2006, except in the following cases:</p> <p>a) the register does not include data on software which belongs to the same class of software as the software offered for purchase</p> <p>b) the software, which is included in the register and belongs to the same class of software as the software offered for purchase, is uncompetitive (its functions, specifications and/or performance characteristics do not meet the requirements set out by a customer for the software offered for purchase)</p> <p>1.2. If a purchase is subject to the above exceptions, publish information on each such purchase with a rationale explaining inability to comply with restrictions imposed on foreign-made software on the joint-stock company's website in a dedicated procurement section within seven calendar days after publication of information on procurement on the joint-stock company's website or dedicated websites on the Internet used by the joint-stock company for procurement (bidding platforms)</p> <p>2. Implement the above approach across subsidiaries directly and/or indirectly controlled by the joint-stock company by more than 50% in total</p>	<p>The requirements were included in PJSC Aeroflot's Regulations on Procurement of Goods, Works and Services (RI-GD-148E) approved by the Board of Directors on 17 October 2016 (Minutes No. 3).</p> <p>The information is posted on PJSC Aeroflot's website in the prescribed order.</p> <p>The matter was reviewed at the meeting of PJSC Aeroflot's Board of Directors on 17 October 2016 (Minutes No. 3).</p> <p>The Company's Management Board has been instructed to set up the approval of similar amendments to the regulations on procurement of goods, works, and services of its subsidiaries directly and/or indirectly controlled by PJSC Aeroflot by more than 50% in total.</p> <p>These requirements have been included in the regulations on procurement of goods, works, and services of the subsidiaries and approved by their boards of directors.</p> <p>Rossiya airline – Minutes No. 8-2017 dated 23 March 2017.</p> <p>Pobeda airline – Minutes No. 3-17 dated 31 January 2017.</p> <p>Aurora airline – Minutes No. 11-16 dated 30 November 2016.</p>

No.	Document type, date, and number	Summary	Execution status
9.2	Instructions of the Government of the Russian Federation No. DM-P9-87pr dated 25 November 2013, No. AD-P9-9176 dated 12 December 2014, No. ISh-P13-1419 dated 5 March 2015, and No. 1346p-P13 dated 5 March 2015	Instructions: 1. Prepare a set of measures aimed at planned and scheduled substitution of imported products (works, services) with those of Russian origin, having similar specifications and consumer properties, to be used in investment projects and day-to-day operations, based on economic and technological feasibility principles and technological justification 2. Inclusion of the set of measures and the indicator values of the above activities implementation in the Company's Long-Term Development Programme	The set of measures aimed at planned and scheduled substitution of imported products (works, services) with those of Russian origin, having similar specifications and consumer properties, to be used in investment projects and day-to-day operations, based on economic and technological feasibility principles and technological justification was included in Aeroflot Group's LDP (Appendix C) on 15 May 2015, amended on 4 June 2015, and updated on 21 December 2017.
9.3	Instruction of the Government of the Russian Federation No. 6558p-P13 dated 5 September 2016	Ensure the amendments in the joint-stock company's procurement policy to give priority to purchases of Russian-made innovative construction materials.	The requirements were considered in the Regulations on Procurement of Goods, Works, and Services (version RI-GD-148F) approved by the Board of Directors on 23 June 2017 (Minutes No. 17). Amendment No. 1 was made to the Guidelines for Determining and Applying Criteria Assessment and Comparing Bidders' Applications (RI-GD-318) (Order No. 296 dated 3 August 2017).
10	On ensuring priority funding for the social and economic development of the Russian Far East		
10.1	List of Instructions of the President of the Russian Federation following the Eastern Economic Forum Instructions of the Government of the Russian Federation No. DM-P16-6658 dated 30 September 2015 and No. 4531p-P13 dated 28 June 2016	Instructions: – Amend development plans including long-term development programmes, strategies and investment programmes of the Company (the Strategic Documents) so as to add to them dedicated sections (dedicated measures) ensuring priority funding (development of such measures, if necessary) for the social and economic development of the Russian Far East – Align strategic documents with state programmes of the Russian Federation (in line with the appended list)	A dedicated section on Ensuring Priority Funding for the Social and Economic Development of the Russian Far East was added to Aeroflot Group's Long-Term Development Programme 2016–2021 on 7 July 2016. The section was updated on 21 December 2017.
11	On creating a barrier-free environment for disabled people (Federal Law No. 419-FZ On Amendments to Certain Laws of the Russian Federation Aimed at Social Protection of Disabled People Following Ratification of the Convention on the Rights of Persons with Disabilities dated 1 December 2014, Resolution of the Government of the Russian Federation No. 599 On Procedures and Timelines for Development of Measures to Improve Indicators Reflecting Accessibility of Facilities and Services for Disabled People in Specified Areas of Activity by Federal Executive Authorities, Executive Authorities of Constituent Entities of the Russian Federation and Local Authorities dated 17 September 2015, Resolution of the Government of the Russian Federation No. 1297 On Approval of the Russian State Accessible Environment Programme 2011–2020 dated 1 December 2015, Decree of the Ministry of Transport of the Russian Federation No. 24 On Approval of the Procedure for Provision of Services for Disabled People in Airports and Aircraft dated 15 February 2016)		

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
11.1	Instruction of the Ministry of Labour and Social Protection of the Russian Federation No. 13-6/10/V-2014 dated 28 March 2016 (our reference number: 5527, date: 9 July 2015)	<p>Adopt decisions providing for the following:</p> <ul style="list-style-type: none"> – Establishment of corporate standards (rules) ensuring accessibility of the entity's facilities and services for disabled people – Certification of facilities and services and subsequent approval of plans for step-by-step bringing their accessibility in line with applicable laws – Training (briefings) of relevant employees in ensuring accessibility of the entity's facilities and services for disabled people – Annual (starting from 2017) allocation of funds from the entity's budget and provision of other material resources to fulfil the above obligations 	<p>PJSC Aeroflot continues to implement its Action Plan for Ensuring Accessibility of PJSC Aeroflot's Services for Disabled People approved in 2016.</p> <p>PJSC Aeroflot's entire fleet comprising 224 aircraft was fully equipped with wheelchairs. Starting from January 2018, the new B737 aircraft delivered to the airline will have the cockpit design enabling to take on board a passenger on a stretcher. One of the aircraft was modified. The improvements to aircraft in operation are scheduled to end before late 2019 (at the moment, if a stretcher is needed, the Company modifies the flight through changing the aircraft).</p> <p>An agreement was signed to develop design documents to conduct overhauls providing access to PJSC Aeroflot's own sales offices and buildings for disabled people; overhauls are scheduled for 2018.</p> <p>All sections of the website have been enhanced in cooperation with Lab.Ag to assist visually impaired air travellers.</p>
11.2	Instruction of the Ministry of Labour and Social Protection the Russian Federation No. 13-6/10/V-5159 dated 26 July 2016 Minutes of the Meeting led by Minister of Labour and Social Protection of the Russian Federation Maxim Topilin No. 1/13/23b dated 15 July 2016 (our reference number: 5821, date: 2 August 2016)	<p>Develop roadmaps to improve accessibility of facilities and services for disabled people using the recommendations developed by the Ministry of Labour and Social Protection of the Russian Federation by 30 December 2016.</p>	<p>Website tests on booking special services for passengers with disabilities have been performed successfully; the service has been commercially launched.</p> <p>Information in the Passengers with Disabilities section of the website has been updated, the Travelling the World Unhindered! video on the airline's rules and services was posted, as well as the questionnaire to assess the flight; the launch of an online chat which will enable passengers to get answers and the help needed in real time is scheduled for March 2018.</p> <p>In December 2017, a hotline for passengers with disabilities was launched in PJSC Aeroflot's Contact Centre – specially trained staff provides qualified help to organise air travel and information support on service matters.</p> <p>In-flight entertainment programme has been implemented for visually and hearing impaired passengers, which now contains eight films with subtitles and/or audio descriptions.</p> <p>Briefing on the seat, flight safety instructions, and in-flight services is provided to visually impaired passengers in information brochures translated into Braille.</p> <p>Passengers using a wheelchair who need additional back support are provided with a shoulder belt restraint if ordered in advance. This service is currently being tested.</p> <p>The professional development system was expanded with a new online training course for flight attendants which takes into account recommendations on diverse categories of disabled passengers.</p> <p>The second version of the standard for servicing passengers with disabilities is being updated; the second audit has been conducted on the compliance of the standard of servicing passengers with disabilities in place at PJSC Aeroflot.</p> <p>In 2017, a positive trend was noted in the development of ground services for passengers with disabilities in the Russian airports within PJSC Aeroflot's route network. In the context of infrastructure restrictions, the issue of providing airports with passenger boarding and disembarking equipment has become urgent. Ambulifts and other equipment is missing in the airports of: Abakan (scheduled for 2019), Voronezh, Magnitogorsk (stairclimber), Murmansk (scheduled for March 2018), Novokuznetsk, Orenburg (stairclimber), Saratov (scheduled for 2019), Stavropol (stairclimber), and Syktyvkar (stairclimber scheduled for 2020).</p> <p>Checked and carry-on baggage allowances have been increased. Without additional payments for the baggage, the number of seats, and weight, in line with the travel class, fare and the terms of fare families, a passenger can take on board a wheelchair and one more means of transportation provided that it is used by a disabled person.</p> <p>As carry-on baggage, a passenger can also take on board:</p> <ul style="list-style-type: none"> – crutches, a cane, a walker, a rollator, and removable prosthetic arms and/or legs – a folding wheelchair, which can be safely placed under the seat in front or in the locker – a gaseous oxygen tank for medical purposes – a portable oxygen concentrator, which can be safely placed under the seat in front or in the locker – medical equipment for the in-flight life support of the passenger.
11.3	Minutes of the Meeting led by Deputy Minister of Transport of the Russian Federation Alexey Tsydenov No. ATs-109 dated 9 August 2016 (our reference number: 6719, date: 6 September 2016)	<p>Recommend business entities providing transport services to execute the following by 1 December 2016:</p> <ol style="list-style-type: none"> 1. Confer functions on one of the deputy chief executives of the entity (company) and one of the business units in relation to the development and implementation of internal management decisions to comply with applicable laws requiring accessibility of transport infrastructure facilities, vehicles and the entity's/company's transport services for disabled people 2. Adopt internal regulations to establish procedures for ensuring accessibility of transport infrastructure facilities, vehicles and transport services for disabled people 3. Arrange for training and retraining (professional development) of employees (instructors) at entities (companies) by educational institutions for transport across the professional development programmes developed by the Industry Resource Training and Methodology Centre of Transport Accessibility for Disabled Persons at the Institute of International Transport Communications of Moscow State University of Railway Engineering (MIIT) 4. Issue the entity's/company's executive document implementing initiatives to stop, starting from 1 June 2016, phasing in of facilities, equipment and vehicles (upon construction, overhaul, upgrade, purchase) which are not fully adapted for use by disabled people in line with Rules SP-59.13330.2012 5. Develop and approve corporate plans for step-by-step improvement of indicators reflecting accessibility for disabled people in relation of existing facilities used to provide services for disabled people, as well as for simultaneous creation of suitably adjusted conditions (until overhaul or upgrade are completed) for them to provide services in line with the rule of Part 4, Article 15 of Federal Law No. 181-FZ On Social Protection of Disabled People in the Russian Federation dated 24 November 1995 	<p>Website tests on booking special services for passengers with disabilities have been performed successfully; the service has been commercially launched.</p> <p>Information in the Passengers with Disabilities section of the website has been updated, the Travelling the World Unhindered! video on the airline's rules and services was posted, as well as the questionnaire to assess the flight; the launch of an online chat which will enable passengers to get answers and the help needed in real time is scheduled for March 2018.</p> <p>In December 2017, a hotline for passengers with disabilities was launched in PJSC Aeroflot's Contact Centre – specially trained staff provides qualified help to organise air travel and information support on service matters.</p> <p>In-flight entertainment programme has been implemented for visually and hearing impaired passengers, which now contains eight films with subtitles and/or audio descriptions.</p> <p>Briefing on the seat, flight safety instructions, and in-flight services is provided to visually impaired passengers in information brochures translated into Braille.</p> <p>Passengers using a wheelchair who need additional back support are provided with a shoulder belt restraint if ordered in advance. This service is currently being tested.</p> <p>The professional development system was expanded with a new online training course for flight attendants which takes into account recommendations on diverse categories of disabled passengers.</p> <p>The second version of the standard for servicing passengers with disabilities is being updated; the second audit has been conducted on the compliance of the standard of servicing passengers with disabilities in place at PJSC Aeroflot.</p> <p>In 2017, a positive trend was noted in the development of ground services for passengers with disabilities in the Russian airports within PJSC Aeroflot's route network. In the context of infrastructure restrictions, the issue of providing airports with passenger boarding and disembarking equipment has become urgent. Ambulifts and other equipment is missing in the airports of: Abakan (scheduled for 2019), Voronezh, Magnitogorsk (stairclimber), Murmansk (scheduled for March 2018), Novokuznetsk, Orenburg (stairclimber), Saratov (scheduled for 2019), Stavropol (stairclimber), and Syktyvkar (stairclimber scheduled for 2020).</p> <p>Checked and carry-on baggage allowances have been increased. Without additional payments for the baggage, the number of seats, and weight, in line with the travel class, fare and the terms of fare families, a passenger can take on board a wheelchair and one more means of transportation provided that it is used by a disabled person.</p> <p>As carry-on baggage, a passenger can also take on board:</p> <ul style="list-style-type: none"> – crutches, a cane, a walker, a rollator, and removable prosthetic arms and/or legs – a folding wheelchair, which can be safely placed under the seat in front or in the locker – a gaseous oxygen tank for medical purposes – a portable oxygen concentrator, which can be safely placed under the seat in front or in the locker – medical equipment for the in-flight life support of the passenger.

No.	Document type, date, and number	Summary	Execution status
11.4	Instruction of the Government of the Russian Federation No. OG-P12-7731 dated 16 December 2016	Arrange for annual monitoring of roadmaps implementation.	
11.5	Instruction of the Ministry of Labour and Social Protection of the Russian Federation No. 13-6/10/V-6702 dated 10 October 2017	By 10 November 2017, submit information on measures taken in 2017 to implement the UN Convention on the Rights of Persons with Disabilities, Federal Law No. 419-FZ dated 1 December 2014, as well as proposals on improving PJSC Aeroflot's interaction mechanisms with government authorities in line with further enhancement of a barrier-free environment in passenger air travel.	
12	On implementing occupational standards in PJSC Aeroflot		
12.1	Directives of the Government of the Russian Federation No. 5119p-P13 dated 14 July 2016 (our reference number: 5555, date: 25 July 2016)	Implement occupational standards in joint-stock companies subject to Federal Law No. 122-FZ On Amendments to the Labour Code of the Russian Federation dated 2 May 2015 and Articles 11 and 73 of the Federal Law On Education in the Russian Federation through the approval and implementation of relevant plans, and make provision for considering the performance of the implementation of occupational standards when assessing and rewarding joint-stock companies' HR management. Request to convene meetings of boards of directors (supervisory boards) of joint-stock companies at least every six months and include the implementation of occupational standards in joint-stock companies in agendas.	The matter was considered at the meeting of the Board of Directors on 25 August 2016 (Minutes No. 15). The action plan to implement occupational standards in PJSC Aeroflot was approved by the Management Board on 9 December 2016 (Minutes No. 34). Order No. 434 dated 22 December 2016 established a dedicated task force to implement occupational standards at PJSC Aeroflot. Reports on implementation of occupational standards in PJSC Aeroflot's operations are regularly (once every six months) submitted to the Board of Directors.
13	On implementation of the Corporate Governance Code		
13.1	Instructions of the Government of the Russian Federation No. ISh-P13-5859 dated 31 July 2014, No. 5667-P13 dated 2 September 2014, and No. 1109p-P13 dated 26 February 2015	On Approving the Action Plan (Roadmap) on Implementation of the Corporate Governance Code.	The Action Plan (Roadmap) to Improve Corporate Governance Practices was approved by PJSC Aeroflot's Board of Directors on 19 March 2015 (Minutes No. 14). The progress report on the Action Plan (Roadmap) to Improve Corporate Governance Practices at PJSC Aeroflot as at December 2016 was considered by the Board of Directors on 22 December 2016 (Minutes No. 7). The information on the status of the Corporate Governance Code principles implementation at PJSC Aeroflot in 2016 was referred to the Federal Agency for State Property Management.
14	On establishing the unified treasury of the Company, its subsidiaries, and associates		
14.1	Instruction of the Government of the Russian Federation No. 5110p-P13 dated 8 August 2014 Instruction of the Government of the Russian Federation No. 1796p-P13 dated 26 March 2015	1. Ensure the operation of the unified treasury of the Company, its subsidiaries, and associates providing the centralised management of financial flows of the group of companies, minimisation of financial risks and operating expenses, and maximisation of the return on investment of available resources 2. Instructions: – Develop and approve the structure of the unified treasury of the Company, its subsidiaries, and associates (the Group) – Develop and approve internal documents of the group regulating operations of the Treasury and a financial flow management system – Conduct annual analysis of the results of establishing the unified treasury of the Company, its subsidiaries, and associates – Submit the report on the analysis to the Ministry of Finance of the Russian Federation and the Federal Financial Monitoring Service by 15 September on an annual basis	Regulations on the Unified Treasury were approved on 29 May 2015 (RI-04-078 No. 151/I). Procedure for Implementation of Key Treasury Functions as Part of Operation of the Unified Treasury was approved on 29 May 2015 (RI-04-079 No. 152/I). Conducting an annual analysis of the results of establishing the Unified Treasury of Aeroflot Group was approved by the Board of Directors decision dated 23 April 2015 (Minutes No. 15). The analysis of the results of establishing the Unified Treasury of Aeroflot Group, its subsidiaries, and associates is conducted on a regular basis. The report on the 2016 analysis was submitted to the Russian Ministry of Finance and the Federal Financial Monitoring Service on 13 September 2017 (our reference number of the outgoing document: 403-1403).

Execution of Presidential and Governmental Instructions continued

No.	Document type, date, and number	Summary	Execution status
15. On increasing labour productivity, creating and upgrading highly productive jobs			
15.1	Clause 6, section 2 of the Action Plan approved by the Resolution of the Government of the Russian Federation No. 1250-r dated 9 July 2014 Instruction of the Government of the Russian Federation No. 7389p-P13 dated 31 October 2014	Instructions: – Develop a set of measures (list of measures) aimed at increasing labour productivity within the Company (list of measures) with target indicators for the above measures implementation – Include the list of measures, the target indicators for the above measures implementation, and the labour productivity indicator (LPI) in the long-term development programme – Include target LPIs in the list of key performance indicators for management which must be considered when making remuneration and HR decisions, and ensure that LPI achievement is aligned with the Company's management remuneration – Make amendments to the employment agreement (contract) with the Company's sole executive body by including the responsibility to achieve the LPIs determined in the Company's long-term development programme – Complete the annual federal statistical monitoring form "Labour Productivity in Partially State-Owned Non-Financial Corporations" via the Company's account on the interdepartmental portal for state property management, in line with Order of the Federal State Statistics Service No. 576 dated 23 September 2014	The list of measures aimed at increasing labour productivity has been included in Aeroflot Group's LDP (as an Appendix to Aeroflot Group's LDP) since 2015. The list of measures aimed at increasing labour productivity (the Appendix to Aeroflot Group's LDP) was approved by PJSC Aeroflot's Board of Directors on 21 December 2017. The Labour Productivity Indicator (for Aeroflot Group) has been included in the KPI list of Aeroflot Group's Long-Term Development Programme and PJSC Aeroflot's KPIs for management and is taken into account when determining the amount of management's (including CEO's) bonus payments for KPI achievement. The Labour Productivity KPI achievement (for Aeroflot Group) is considered by PJSC Aeroflot's Board of Directors on a quarterly basis. Information on KPI achievement is annually posted in the Company's account on the interdepartmental portal for state property management in the Instructions section – "Instruction No. 19 Increasing Labour Productivity".
16. On including the key metrics for adequate talent pipeline in the long-term development programme, including engineering and technical positions necessary to implement the key measures of the programme			
16.1	Sub-clause b, clause 2 of the List of Instructions of the President of the Russian Federation following the Meeting of the Presidential Council for Science and Education on 23 June 2014 (No. Pr-1627 dated 1 July 2014) Instruction of the Government of the Russian Federation No. OG-P8-5496 dated 22 July 2014	Develop and submit proposals as prescribed: – on expanding the practice of targeted training in higher educational institutions specialising in engineering, technology, and technical science – on preparing methods to assess the need for engineering and technical talent of Russian regions, industries, and major employers in the medium and long term.	The proposals have been submitted (our reference number of the outgoing document: 12-1342, date: 23 September 2014).
16.2	Instruction of the Government of the Russian Federation No. 7439p-P13 dated 5 November 2014	Include the key metrics for adequate talent pipeline in the long-term development programme, including engineering and technical positions necessary to implement the key measures of the programme.	The key metrics of PJSC Aeroflot's need for talent are described in the respective section of the Long-Term Development Programme (6.9. Talent Pipeline Plan) approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7).
17. On ensuring achievement of the joint-stock company's key performance indicators			
17.1	Instruction of the Government of the Russian Federation No. 7439p-P13 dated 5 November 2014	Include the key metrics for adequate talent pipeline in the long-term development programme, including engineering and technical positions necessary to implement the key measures of the programme.	The key metrics of PJSC Aeroflot's need for talent are described in the respective section of the Long-Term Development Programme (6.9. Talent Pipeline Plan) approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7).
18. On preparing for the 2018 FIFA World Cup in the Russian Federation (Resolution of the Government of the Russian Federation No. 518 dated 20 June 2013)			
18.1	Minutes of the Meeting led by Prime Minister of the Russian Federation Dmitry Medvedev No. DM-P9-37pr dated 23 June 2016	On Measures to Implement the Programme to Prepare for the 2018 FIFA World Cup in the Russian Federation (in the Moscow air transport hub).	The matter of preparation for the 2018 FIFA World Cup was reviewed by the Management Board (Minutes No. 28/PrP dated 18 October 2017). The works are conducted in strict compliance with PJSC Aeroflot's Plan on Preparation for the 2018 World Cup dated 8 November 2017 (No. 77/Pl). PJSC Aeroflot made a proposal on transporting fans of the Russian team to the World Cup matches at a special price of RUR 5 (No. GD-1250 dated 20 December 2017). The President of the Russian Federation supported the proposal. The respective activities are under way.

Report on Compliance with the Principles and Recommendations Set Out in the Corporate Governance Code

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1.1.	The company ensures fair and equitable treatment of all shareholders in exercising their corporate governance right.			
1.1.1.	The company ensures the most favourable conditions for its shareholders to participate in the general meeting, develop an informed position on agenda items of the general meeting, coordinate their actions, and voice their opinions on items considered.	<ol style="list-style-type: none"> The company's internal document approved by the general meeting of shareholders and governing the procedures for holding the general meeting is publicly available. The company provides accessible means of communication via hotline, e-mail or online forum for shareholders to voice their opinions and submit questions on the agenda in preparing for the general meeting. The company performed the above actions in advance of each general meeting held in the reporting period. 	Full	
1.1.2.	The procedure for giving notice of, and providing relevant materials for, the general meeting enables shareholders to properly prepare for attending the general meeting.	<ol style="list-style-type: none"> The notice of an upcoming general shareholders meeting is posted (published) online at least 30 days prior to the date of the general meeting. The notice of an upcoming meeting specifies the meeting venue and documents required for admission. Shareholders were given access to the information on who proposed the agenda items and who proposed nominees to the company's board of directors and the revision committee. 	Full	
1.1.3.	In preparing for, and holding of, the general meeting, shareholders were able to receive clear and timely information on the meeting and related materials, put questions to the company's executive bodies and the board of directors, and to communicate with each other.	<ol style="list-style-type: none"> In the reporting period, shareholders were able to put questions to members of executive bodies and directors before and during the annual general meeting. The position of the board of directors (including dissenting opinions entered into the minutes) on each agenda item of general meetings held in the reporting period was included in the materials to the general meeting of shareholders. The company gave duly authorised shareholders access to the list of persons entitled to attend the general meeting, as from the date of its receipt by the company, for all general meetings held in the reporting period. 	Full	
1.1.4.	There were no unjustified difficulties preventing shareholders from exercising their right to request that a general meeting be convened, to propose nominees to the company's governing bodies, and to make proposals for the agenda of the general meeting.	<ol style="list-style-type: none"> In the reporting period, shareholders were able to submit, within at least 60 days after the end of the relevant calendar year, proposals for the agenda of the annual general meeting. In the reporting period, the company did not reject any proposals for the agenda or nominees to the company's governing bodies due to misprints or other insignificant flaws in the shareholder's proposal. 	Full	

Report on Compliance with the Principles and Recommendations Set Out in the Corporate Governance Code

continued

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1.1.5	Each shareholder was able to freely exercise their voting right in the simplest and most convenient way.	An internal document (internal policy) of the company provides that each participant of the general meeting may request a copy of the ballot filled out by them and certified by the counting commission before the end of the relevant meeting.	Full	
1.1.6	The procedure for holding a general meeting set by the company provides equal opportunities for all persons attending the meeting to voice their opinions and ask questions.	1. General meetings of shareholders held in the reporting period in the form of a meeting (i.e. joint presence of shareholders) provided for sufficient time for making reports on and for discussing agenda items. 2. Nominees to the company's governing and control bodies were available to answer questions of shareholders at the meeting at which their nominations were put to vote. 3. When passing resolutions on preparing and holding general meetings of shareholders, the board of directors considered using telecommunication means for remote access of shareholders to general meetings in the reporting period.	Full	
1.2.	Shareholders are given equal and fair opportunities to share profits of the company in the form of dividends.			
1.2.1	The company has designed and put in place a transparent and clear mechanism to determine the dividend amount and payout procedure.	1. The company has drafted and disclosed a dividend policy approved by the board of directors. 2. If the company's dividend policy uses reporting figures to determine the dividend amount, then relevant provisions of the dividend policy take into account the consolidated financial statements.	Full	
1.2.2	The company does not resolve to pay out dividends if such payout, while formally compliant with law, is economically unjustified and may lead to a false representation of the company's performance.	The company's dividend policy clearly identifies financial/economic circumstances under which the company shall not pay out dividends.	Full	
1.2.3	The company does not allow for dividend rights of its existing shareholders to be impaired.	In the reporting period, the company did not take any actions that would lead to the impairment of the dividend rights of its existing shareholders.	Full	
1.2.4	The company makes every effort to prevent its shareholders from using other means to profit (gain) from the company other than dividends and liquidation value.	To prevent shareholders from using any means to profit (gain) from the company other than dividends and liquidation value, the company's internal documents provide for controls to timely identify and approve deals with affiliates (associates) of the company's substantial shareholders (persons entitled to use votes attached to voting shares) where the law does not formally recognise such deals as related-party transactions.	Partial	Actually complied with. The relevant restriction is set out in the Corporate Governance Code of PJSC Aeroflot (paragraph 3.2.1). In addition, PJSC Aeroflot signed up to the Anti-Corruption Charter of the Russian Business, which rules out the possibility of corruption in its transactions. PJSC Aeroflot intends to achieve full compliance with this principle of the Code in the future.
1.3.	The corporate governance framework and practices ensure equal conditions for all shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equal treatment by the company.			
1.3.1	The company has created conditions for fair treatment of each shareholder by the company's governing and control bodies, including conditions that rule out abuse by major shareholders against minority shareholders.	In the reporting period, procedures for management of potential conflicts of interest among substantial shareholders were efficient, while the board of directors paid due attention to conflicts, if any, between shareholders.	Full	

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1.3.2	The company does not take any actions that lead or may lead to artificial redistribution of corporate control.	No phantom shares were issued or used to vote in the reporting period.	Partially complied with.	Actually complied with. The relevant restriction is set out in the Corporate Governance Code of PJSC Aeroflot (paragraph 3.2.1). In addition, PJSC Aeroflot signed up to the Anti-Corruption Charter of the Russian Business, which rules out the possibility of corruption in its transactions. PJSC Aeroflot intends to achieve full compliance with this principle of the Code in the future.
1.4. Shareholders are provided with reliable and effective means of recording their rights to shares and are able to freely dispose of their shares without any hindrance.				
1.4.1	Shareholders are provided with reliable and effective means of recording their rights to shares and are able to freely dispose of their shares without any hindrance.	The company's registrar maintains the share register in an efficient and reliable way that meets the needs of the company and its shareholders.	Full	
2.1. The board of directors provides strategic management of the company, determines key principles of, and approaches to, setting up a corporate risk management and internal control framework, monitors performance by the company's executive bodies, and performs other key functions.				
2.1.1	The board of directors is responsible for appointing and dismissing executive bodies, including for improper performance of their duties. The board of directors also ensures that the company's executive bodies act in accordance with the company's approved development strategy and core lines of business.	1. The board of directors has the authority stipulated in the articles of association to appoint and remove members of executive bodies and to set out the terms and conditions of their contracts. 2. The board of directors reviewed the report(s) by the sole executive body or members of the collective executive body on the implementation of the company's strategy.	Full	
2.1.2	The board of directors sets key long-term targets for the company, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business.	At its meetings in the reporting period, the board of directors reviewed strategy implementation and updates, approval of the company's financial and business plan (budget), and criteria and performance (including interim) of the company's strategy and business plans.	Full	
2.1.3	The board of directors defines the company's principles and approaches to risk management and internal controls.	1. The board of directors defined the company's principles and approaches to risk management and internal controls. 2. The board of directors assessed the company's risk management and internal controls in the reporting period.	Full	
2.1.4	The board of directors determines the company's remuneration and reimbursement (compensation) policy for its directors, members of executive bodies, and other key executives.	1. The company developed and put in place a remuneration and reimbursement (compensation) policy (policies), approved by the board of directors, for its directors, members of executive bodies, and other key executives. 2. At its meetings in the reporting period, the board of directors discussed matters related to such policy (policies).	Full	
2.1.5	The board of directors plays a key role in preventing, identifying, and resolving internal conflicts between the company's bodies, shareholders and employees.	1. The board of directors plays a key role in preventing, identifying, and resolving internal conflicts. 2. The company set up mechanisms to identify transactions leading to a conflict of interest and to resolve such conflicts.	Full	

Report on Compliance with the Principles and Recommendations Set Out in the Corporate Governance Code

continued

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
2.1.6	The board of directors plays a key role in ensuring that the company is transparent, timely and fully discloses its information, and provides its shareholders with unhindered access to the company's documents.	1. The board of directors plays a key role in preventing, identifying, and resolving internal conflicts. 2. The company set up mechanisms to identify transactions leading to a conflict of interest and to resolve such conflicts.	Full	
2.1.7	The board of directors controls the company's corporate governance practices and plays a key role in material corporate events of the company.	In the reporting period, the board of directors reviewed the company's corporate governance practices.	Full	
2.2. The board of directors is accountable to the company's shareholders.				
2.2.1	Performance of the board of directors is disclosed and made available to the shareholders.	1. The company's annual report for the reporting period includes the information on individual attendance at board of directors and committee meetings. 2. The annual report discloses key performance assessment results of the board of directors in the reporting period.	Partial	Attendance at meetings of the Board of Directors and its committees is disclosed in the Annual Report for the reporting period. No assessment of the Board of Directors' performance was run in the reporting period. On the request of the federal executive authorities, the Personnel and Remuneration Committee of PJSC Aeroflot's Board of Directors assesses members of the Board of Directors representing the interests of the state in preparation for their nomination to PJSC Aeroflot's Board of Directors for the following corporate year. PJSC Aeroflot intends to achieve full compliance with this principle of the Code in the future.
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders.	The company has in place a transparent procedure enabling shareholders to forward questions and express their position on such questions to the chairman of the board of directors.	Full	
2.3. The board of directors manages the company in an efficient and professional manner and is capable of making fair and independent judgements and adopting resolutions in the best interests of the company and its shareholders.				
2.3.1	Only persons of impeccable business and personal reputation who have knowledge, expertise, and experience required to make decisions within the authority of the board of directors and essential to perform its functions in an efficient way are elected to the board of directors.	1. The procedure for assessing the board of directors performance established in the company includes, inter alia, assessment of professional qualifications of directors. 2. In the reporting period, the board of directors (or its nomination committee) assessed nominees to the board of directors for required experience, expertise, business reputation, absence of conflicts of interest, etc.	Full	
2.3.2	The company's directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.	Whenever the agenda of the general meeting of shareholders included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the results of their assessment carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the independence criteria set forth in Recommendations 102–107 of the Code, as well as the nominees' written consent to be elected to the board of directors.	Full	
2.3.3	The board of directors has a balanced membership, including in terms of directors' qualifications, experience, expertise, and business skills, and enjoys its shareholders' trust.	As part of assessment of the board of directors' performance run in the reporting period, the board of directors reviewed its requirements to professional qualifications, experience, and business skills.	Full	

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
2.3.4	The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including ability to set up committees of the board of directors and enable the company's substantial minority shareholders to elect a nominee to the board of directors for whom they vote.	As part of assessment of the board of directors' performance run in the reporting period, the board of directors considered whether the number of directors met the company's needs and shareholders' interests.	Full	
2.4. The board of directors includes a sufficient number of independent directors.				
2.4.1	An independent director is a person who is sufficiently professional, experienced, and independent to develop their own position, and capable of making unbiased judgements in good faith, free of influence by the company's executive bodies, individual groups of shareholders or other stakeholders. It should be noted that a nominee (elected director) who is related to the company, its substantial shareholder, substantial counterparty or competitor of the company, or related to the government, may not be considered as independent under normal circumstances.	In the reporting period, all independent directors met all independence criteria set out in Recommendations 102–107 of the Code, or were deemed independent by resolution of the board of directors.	Full	
2.4.2	The company assesses compliance of nominees to the board of directors and reviews compliance of independent directors with independence criteria on a regular basis. In such assessment, substance should prevail over form.	1. In the reporting period, the board of directors (or its nomination committee) made a judgement on independence of each nominee to the board of directors and provided its opinion to shareholders. 2. In the reporting period, the board of directors (or its nomination committee) reviewed, at least once, the independence of incumbent directors listed by the company as independent directors in its annual report. 3. The company has in place procedures defining the actions to be taken by directors if they cease to be independent, including the obligation to timely notify the board of directors thereof.	Full	
2.4.3	Independent directors make up at least one third of elected directors.	Independent directors make up at least one third of directors.	Full	
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in ensuring that the company performs material corporate actions.	Independent directors (with no conflicts of interest) run a preliminary assessment of material corporate actions implying a potential conflict of interest and submit the results to the board of directors.	Full	Material corporate actions undergo preliminary assessment by the Audit Committee of the Board of Directors that is fully made up of independent directors.
2.5. The chairman of the board of directors ensures that the board of directors discharges its duties in the most efficient way.				
2.5.1	The board of directors is chaired by an independent director, or a senior independent director supervising the activities of other independent directors and interacting with the chairman of the board of directors is appointed from among the elected independent directors.	1. The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors. 2. The role, rights and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal documents.	None	The balanced composition of the Board of Directors and the comprehensive preliminary review of the matters brought before the Board of Directors (in particular, by committees made up of, and lead by, independent directors) as well as active engagement of the independent directors make implementation of this recommendation redundant.

Report on Compliance with the Principles and Recommendations Set Out in the Corporate Governance Code

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No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
2.5.2	The chairman of the board of directors maintains a constructive environment at meetings, enables free discussion of agenda items, and supervises the execution of resolutions passed by the board of directors.	Performance of the chairman of the board of directors was assessed as part of assessment of the board of directors' performance in the reporting period.	Not complied with.	No assessment of the Board of Directors' performance was run in 2017. Individual attendance at meetings of the Board of Directors and its committees is factored in remunerations of members of the Board of Directors.
2.5.3	The chairman of the board of directors takes all steps necessary for the timely provision to directors of information required to pass resolutions on agenda items.	The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision of materials for the agenda of a board meeting.	Full	
2.6.	Directors act reasonably and in good faith in the best interests of the company and its shareholders, on a fully informed basis and with due care and diligence.			
2.6.1	Directors pass resolutions on a fully informed basis, with no conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks.	<p>1. The company's internal documents provide that a director should notify the board of directors of any existing conflict of interest as to any agenda item of the meeting of the board of directors or its committee, prior to discussion of the relevant agenda item.</p> <p>2. The company's internal documents provide that a director should abstain from voting on any item in connection with which they have a conflict of interest.</p> <p>3. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company.</p>	Full	
2.6.2	The rights and duties of directors are clearly stated and incorporated in the company's internal documents.	The company adopted and published an internal document that clearly defines the rights and duties of directors.	Full	
2.6.3	Directors have sufficient time to perform their duties.	<p>1. Individual attendance at board and committee meetings, as well as time devoted to preparation for attending meetings, was recorded as part of the procedure for assessing the board of directors in the reporting period.</p> <p>2. Under the company's internal documents, directors notify the board of directors of their intentions to be elected to governance bodies in other entities (apart from the entities controlled by, or affiliated to, the company), and of their election to such bodies.</p>	Partial	<p>1. No assessment of the Board of Directors' performance was run in the reporting period. However, individual attendance at meetings of the Board of Directors is factored in remunerations of members of the Board of Directors.</p> <p>PJSC Aeroflot intends to achieve full compliance with this principle of the Code in the future.</p> <p>2. The relevant responsibility of the Board of Directors' members is set out in the Company's internal documents.</p>
2.6.4	All directors have equal access to the company's documents and information. Newly elected directors are furnished with sufficient information about the company and performance of the board of directors as soon as possible.	<p>1. Under the company's internal documents, directors are entitled to access documents and make requests on the company and its controlled entities, while executive bodies of the company should furnish all relevant information and documents.</p> <p>2. The company has in place a formalised induction programme for newly elected directors.</p>	Full	
2.7.	Meetings of the board of directors, preparation for such meetings, and attendance by directors ensure efficient performance by the board of directors.			
2.7.1	Meetings of the board of directors are held as needed, taking into account the scale of operations and goals of the company at a particular time.	The board of directors held at least six meetings in the reporting year.	Full	
2.7.2	Internal regulations of the company formalise a procedure for the preparation and holding of the board meetings, enabling directors to properly prepare for such meetings.	The company has an approved internal document that describes the procedure for arranging and holding meetings of the board of directors and sets out, in particular, that the notice of the meeting is to be given, as a rule, at least five days prior to such meeting.	Full	

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
2.7.3	The format of the meeting of the board of directors is determined taking into account the importance of its agenda items. The most important matters are dealt with at meetings of the board of directors held in person.	The company's articles of association or internal document provides for the most important matters (as per the list set out in Recommendation 168 of the Code) to be passed at in-person meetings of the board of directors.	Full	
2.7.4	Resolutions on most important matters relating to the company's operations are passed at a meeting of the board of directors by a qualified majority or by a majority of all elected directors.	The company's articles of association provide for resolutions on the most important matters set out in Recommendation 170 of the Code to be passed at a meeting of the board of directors by a qualified majority of at least three quarters or by a majority of all elected directors.	Full	
2.8. The board of directors sets up committees to preview the most important matters of the company's business.				
2.8.1	To preview matters related to controlling the company's financial and business activities, it is recommended to set up an audit committee comprised of independent directors.	<ol style="list-style-type: none"> The board of directors set up an audit committee comprised solely of independent directors. The company's internal documents set out the tasks of the audit committee, including those listed in Recommendation 172 of the Code. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analysing, assessing, and auditing accounting (financial) statements. In the reporting period, meetings of the audit committee were held at least once a quarter. 	Full	
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee was set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors.	<ol style="list-style-type: none"> The board of directors set up a remuneration committee comprised solely of independent directors. The remuneration committee is chaired by an independent director who is not the chairman of the board of directors. The company's internal documents set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code. 	Partial	PJSC Aeroflot set up its Personnel and Remuneration Committee, predominantly comprised of independent directors.
2.8.3	To preview matters related to talent management (succession planning), professional composition and efficiency of the board of directors, a nomination (appointments and personnel) committee was set up, predominantly comprised of independent directors.	<ol style="list-style-type: none"> The board of directors has set up a nomination committee (or its tasks listed in Recommendation 186 of the Code are fulfilled by another committee), predominantly comprised of independent directors. The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in Recommendation 186 of the Code. 	Full	
2.8.4	Taking into account the company's scope of business and level of risks, the company's board of directors made sure that the composition of its committees is fully in line with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety, and environment committee, etc.).	In the reporting period, the board of directors considered whether the composition of its committees was in line with the board's tasks and the company's business goals. Additional committees were either set up or not deemed necessary.	Full	
2.8.5	Committees are composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions.	<ol style="list-style-type: none"> Committees of the board of directors are headed by independent directors. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee, and the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee. 	Full	

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No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
2.8.7	Committee chairmen regularly report to the board of directors and its chairman on the performance of their committees.	In the reporting period, committee chairmen regularly reported to the board of directors on the performance of committees.	Full	
2.9.	The board of directors ensures performance assessment of the board of directors, its committees and members of the board of directors.			
2.9.1	The board of directors' performance assessment is aimed at determining the efficiency of the board of directors, its committees and members, consistency of their work with the company's growth requirements, as well as at bolstering the work of the board of directors and identifying areas for improvement.	1. Self-assessment or external assessment of the board of directors' performance carried out in the reporting period included performance assessment of committees, individual directors, and the board of directors in general. 2. Results of self-assessment or external assessment of the board of directors' performance carried out in the reporting period were reviewed at the in-person meeting of the board of directors.	None	Relevant practice is to be introduced.
2.9.2	Performance of the board of directors, its committees, and members is assessed regularly at least once a year. An external advisor is engaged at least once in three years to conduct an independent assessment of the board of directors' performance.	The company engaged an external advisor to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods.	None	Relevant practice is to be introduced.
3.1	The company's corporate secretary ensures efficient ongoing interaction with shareholders, coordinates the company's efforts to protect shareholder rights and interests, and supports efficient performance of the board of directors.			
3.1.1	The corporate secretary has the expertise, experience, and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders.	1. The company adopted and published an internal document – regulations on the corporate secretary. 2. The biographical data of the corporate secretary are published on the corporate website and in the company's annual report with the same level of detail as for members of the board of directors and the company's executives.	Full	
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and has the powers and resources required to perform his/her tasks.	The board of directors approves the appointment, dismissal, and additional remuneration of the corporate secretary.	Full	
4.1.	Remuneration payable by the company is sufficient to attract, motivate, and retain people with competencies and qualifications required by the company. Remuneration payable to directors, executive bodies, and other key executives of the company is in compliance with the approved remuneration policy of the company.			
4.1.1	The amount of remuneration paid by the company to directors, executive bodies, and other key executives creates sufficient incentives for them to work efficiently, while enabling the company to engage and retain competent and qualified specialists. At the same time, the company avoids unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of such persons and the company's employees.	The company has in place an internal document (internal documents) – the policy (policies) on remuneration of directors, executive bodies, and other key executives, which clearly defines (define) the approaches to remuneration of such persons.	Full	
4.1.2	The company's remuneration policy is devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, ensures control over the introduction and implementation of the company's remuneration policy, revising and amending it as required.	During one reporting period, the remuneration committee reviewed the remuneration policy (policies) and its (their) introduction practices to provide relevant recommendations to the board of directors as required.	Full	

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
4.1.3	The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration due to directors, executive bodies, and other key executives of the company, and regulates all types of expenses, benefits, and privileges provided to such persons.	The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to directors, executive bodies, and other key executives of the company, and regulates (regulate) all types of expenses, benefits, and privileges provided to such persons.	Full	
4.1.4	The company defines a policy on reimbursement (compensation) of expenses, detailing a list of reimbursable expenses and specifying service levels that directors, executive bodies, and other key executives of the company may claim. Such policy can make part of the company's remuneration policy.	The remuneration policy (policies) defines (define) the rules for reimbursement of expenses incurred by directors, executive bodies, and other key executives of the company.	Full	
4.2.	Remuneration system for directors ensures alignment of financial interests of directors with long-term financial interests of the shareholders.			
4.2.1	The company pays fixed annual remuneration to its directors. The company does not pay remuneration for attending particular meetings of the board of directors or its committees. The company does not apply any form of short-term motivation or additional financial incentive for its directors.	Fixed annual remuneration was the only form of monetary remuneration payable to directors for their service on the board of directors during the reporting period.	Partial	In addition to the fixed remuneration component, members of the Company's Board of Directors are also paid a variable remuneration component, calculated based on PJSC Aeroflot's capitalisation values, also aligned with long-term interests of PJSC Aeroflot's shareholders.
4.2.2	Long-term ownership of the company's shares helps align the financial interests of directors with long-term interests of shareholders to the utmost. At the same time, the company does not link the right to dispose of shares to performance targets, and directors do not participate in stock option plans.	If the company's internal document(s) – the remuneration policy (policies) stipulates (stipulate) provision of the company's shares to members of the board of directors, clear rules for share ownership by board members are to be defined and disclosed, aimed at stimulating long-term ownership of such shares.	Full	
4.2.3	The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure, resulting from the change of control or any other reasons whatsoever.	The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure, resulting from the change of control or any other reasons whatsoever.	Full	
4.3	The company reviews its performance and the personal contribution of each executive to the achievement of such performance when determining the amount of a fee payable to members of the executive bodies, and other key executives of the company.			
4.3.1	Remuneration due to members of executive bodies, and other key executives of the company is determined in a manner providing for reasonable and justified ratio of the fixed and variable components of remuneration, depending on the company's results and the employee's personal contribution.	1. In the reporting period, annual performance results approved by the board of directors were used to determine the amount of the variable component of remuneration due to members of executive bodies, and other key executives of the company. 2. During the latest assessment of the system of remuneration of members of executive bodies, and other key executives of the company, the board of directors (remuneration committee) made sure that the company applies an efficient ratio of the fixed and variable remuneration components. 3. The company has in place a procedure that guarantees return to the company of bonus payments illegally received by members of executive bodies, and other key executives of the company.	Full	

Report on Compliance with the Principles and Recommendations Set Out in the Corporate Governance Code

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No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
4.3.2	The company has in place a long-term incentive programme for members of executive bodies, and other key executives of the company with the use of the company's shares (options and other derivative instruments where the company's shares are the underlying asset).	1. The company has in place a long-term incentive programme for members of executive bodies, and other key executives of the company with the use of the company's shares (financial instruments based on the company's shares). 2. The long-term incentive programme for members of executive bodies, and other key executives of the company implies that the right to dispose of shares and other financial instruments used in this programme takes effect at least three years after such shares or other financial instruments are granted. The right to dispose of such shares or other financial instruments is linked to the company's performance targets.	Full	
4.3.3	The compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, does not exceed the double amount of the fixed component of their annual remuneration.	In the reporting period, the compensation (golden parachute) payable by the company in case of early termination of the powers of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed component of their annual remuneration.	Full	
5.1.	The company has in place effective risk management and internal controls providing reasonable assurance in the achievement of the company's goals.			
5.1.1	The company's board of directors determined the principles of and approaches to organising risk management and internal controls at the company.	Functions of different governing bodies and units of the company in risk management and internal controls are clearly defined in the company's internal documents / relevant policy approved by the board of directors.	Full	
5.1.2	The company's executive bodies ensure establishment and continuous operation of effective risk management and internal controls at the company.	The company's executive bodies ensured the distribution of functions and powers related to risk management and internal controls between the heads (managers) of business units and departments accountable to them.	Full	
5.1.3	The company's risk management and internal controls ensure an objective, fair, and clear view of the current state and future prospects of the company, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure.	1. The company has in place an approved anti-corruption policy. 2. The company established an accessible method of notifying the board of directors or the board's audit committee of breaches or any violations of the law, the company's internal procedures, and conduct code.	Full	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal controls are consistent with the principles of, and approaches to, its setup determined by the board of directors, and that the system is functioning efficiently.	In the reporting period, the board of directors or the board's audit committee assessed the performance of the company's risk management and internal controls. Key results of this assessment are included in the company's annual report.	Full	
5.2.	The company performs internal audit for regular independent assessment of the reliability and performance of risk management and internal controls and the corporate governance practice.			
5.2.1	The company set up a separate business unit or engaged an independent external organisation to carry out internal audits. Functional and administrative reporting lines of the internal audit department are delineated. The internal audit unit functionally reports to the board of directors.	1. To perform internal audits, the company set up a separate business unit – internal audit division, functionally reporting to the board of directors or to the audit committee, or engaged an independent external organisation with the same line of reporting.	Full	

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
5.2.2	The internal audit division assesses the performance of the internal controls, risk management, and corporate governance. The company applies generally accepted standards of internal audit.	<ol style="list-style-type: none"> In the reporting period, the performance of the internal controls and risk management was assessed as part of the internal audit procedure. The company applies generally accepted approaches to internal audit and risk management. 	Full	
6.1. The company and its operations are transparent for its shareholders, investors, and other stakeholders.				
6.1.1	The company developed and implemented an information policy ensuring efficient exchange of information by the company, its shareholders, investors, and other stakeholders.	<ol style="list-style-type: none"> The company's board of directors approved an information policy developed in accordance with the Code's recommendations. The board of directors (or one of its committees) reviewed the matters of the company's compliance with its information policy at least once in the reporting period. 	Full	
6.1.2	The company discloses information on its corporate governance framework and practice, including detailed information on compliance with the principles and recommendations of the Code.	<ol style="list-style-type: none"> The company discloses information on its corporate governance and general principles of corporate governance, including disclosure on its website. The company discloses information on the membership of its executive bodies and board of directors, independence of the directors and their membership in the board of directors' committees (as defined by the Code). If the company has a controlling person, the company publishes a memorandum of the controlling person setting out this person's plans for the company's corporate governance. 	Full	
6.2. The company makes timely disclosures of complete, updated, and reliable information to allow shareholders and investors to make informed decisions.				
6.2.1	The company discloses information based on the principles of regularity, consistency and promptness, as well as availability, reliability, completeness, and comparability of disclosed data.	<ol style="list-style-type: none"> The company's information policy sets out approaches to, and criteria for, identifying information that can have a material impact on the company's evaluation and the price of its securities, as well as procedures ensuring timely disclosure of such information. If the company's securities are traded on foreign organised markets, the company ensured concerted and equivalent disclosure of material information in the Russian Federation and in the said markets in the reporting year. If foreign shareholders hold a material portion of the company's shares, the relevant information was disclosed both in the Russian language and one of the most widely used foreign languages in the reporting period. 	Full	
6.2.2	The company avoids a formalistic approach to information disclosure and discloses material information on its operations, even if disclosure of such information is not required by law.	<ol style="list-style-type: none"> In the reporting period, the company disclosed annual and 6M financial statements prepared under the IFRS. The company's annual report for the reporting period included annual financial statements prepared under the IFRS, along with the auditor's report. The company discloses complete information on its capital structure, as stated in Recommendation 290 of the Code, in its annual report and on the corporate website. 	Full	
6.2.3	The company's annual report, as one of the most important tools of its information exchange with shareholders and other stakeholders, contains information enabling assessment of the company's annual performance results.	<ol style="list-style-type: none"> The company's annual report contains information on the key aspects of its operational and financial performance. The company's annual report contains information on the environmental and social aspects of the company's operations. 	Full	

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No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
6.3	The company provides information and documents requested by its shareholders in accordance with principles of fairness and ease of access.			
6.3.1	The company provides information and documents requested by its shareholders in accordance with principles of fairness and ease of access.	The company's information policy establishes the procedure for providing shareholders with easy access to information, including information on legal entities controlled by the company, as requested by shareholders.	Full	
6.3.2	When providing information to shareholders, the company ensures reasonable balance between the interests of particular shareholders and its own interests consisting in preserving the confidentiality of important commercial information which may materially affect its competitive edge.	1. In the reporting period, the company did not refuse any shareholder requests for information, or such refusals were justified. 2. In cases defined by the information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality.	Full	
7.1	Actions that materially affect or may affect the company's share capital structure and its financial position and accordingly the position of its shareholders ("material corporate actions") are taken on fair terms ensuring that the rights and interests of the shareholders and other stakeholders are observed.			
7.1.1	Material corporate actions include reorganisation of the company, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of major transactions, increase or decrease of the company's authorised capital, listing or de-listing of the company's shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's articles of association provide for a list (criteria) of transactions or other actions classified as material corporate actions within the authority of the company's board of directors.	1. The company's articles of association include a list of transactions or other actions deemed to be material corporate actions, and their identification criteria. Resolutions on material corporate actions are referred to the jurisdiction of the board of directors. When execution of such corporate actions is expressly referred by law to the jurisdiction of the general meeting of shareholders, the board of directors presents relevant recommendations to shareholders. 2. According to the company's articles of association, material corporate actions include at least: company reorganisation, acquisition of 30% or more of the company's voting shares (in case of takeover), entering in major transactions, increase or decrease of the company's authorised capital, listing or de-listing of the company's shares.	Full	
7.1.2	The board of directors plays a key role in passing resolutions or making recommendations on material corporate actions, relying on the opinions of the company's independent directors.	The company has in place a procedure enabling independent directors to express their opinions on material corporate actions prior to approval thereof.	Full	
7.1.3	When taking material corporate actions affecting the rights or legitimate interests of shareholders, equal terms and conditions are guaranteed for all shareholders of the company; if the statutory procedure designed to protect shareholders' rights proves insufficient, additional measures are taken to protect their rights and legitimate interests. In doing so, the company is guided by the corporate governance principles set forth in the Code, as well as by formal statutory requirements.	1. Due to specifics of the company's operations, the company's articles of association contain less stringent minimal criteria for material corporate actions than required by law. 2. All material corporate actions in the reporting period were duly approved before they were taken.	Full	

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
7.2	The company performs material corporate actions in such a way as to ensure that shareholders timely receive complete information about such actions, allowing them to influence such actions and guaranteeing adequate protection of their rights when performing such actions.			
7.2.1	Information about material corporate actions is disclosed with explanations of the grounds, circumstances, and consequences.	In the reporting period, the company disclosed information about its material corporate actions in due time and in detail, including the grounds for, and timelines of, such actions.	Full	
7.2.2	Rules and procedures related to material corporate actions taken by the company are set out in the company's internal documents.	<p>1. The company's internal documents set out a procedure for engaging an independent appraiser to estimate the value of assets either disposed of or acquired in a major transaction or a related-party transaction.</p> <p>2. The company's internal documents set out a procedure for engaging an independent appraiser to estimate the value of shares acquired and bought back by the company.</p> <p>3. The company's internal documents provide for an expanded list of grounds on which members of the company's board of directors, as well as other persons as per the applicable law, are deemed to be related parties to the company's transactions.</p>	Partial	<p>No internal documents are in place; however, relevant procedures are put into practice.</p> <p>PJSC Aeroflot intends to achieve full compliance with this principle of the Code in the future.</p>

Information About the Programme for Disposal of Non-Core Assets

The Programme for Disposal of PJSC Aeroflot's Non-Core Assets (version No. 7) was approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7). The Programme provides for disposal of eight non-core assets (shares, stakes in the share capital of business entities, real estate). PJSC Aeroflot's Board of Directors resolved to retain three assets and to exclude another three assets from the Non-Core Asset Register following their reclassification as core assets. The Programme also contains criteria for classification of assets as non-core, the non-core asset register, information on encumbrances, book and market value, approach to selecting assets for disposal, as well as disposal methods, procedures and timescales.

The non-core assets owned by PJSC Aeroflot include property and property rights which are outside its flight services, but may be closely related to the development of the Company's end product.

The Company's approach to technological (non-core) assets that have a significant impact on the core business of PJSC Aeroflot:

- Compare benefits from these assets (discounts, reduction in prices and rates, improvement of PJSC Aeroflot's product quality) with the cost of ownership
- Monitor the effectiveness of corporate control

Assets are sold if ownership is found to be ineffective and the corporate control – insufficient.

Technological assets that have a low impact on the core business of PJSC Aeroflot are evaluated in terms of the cost of, and the need for, ownership, based on non-production criteria (achievement of non-commercial objectives, type of business, goodwill, etc.). These assets are disposed of if the effect of ownership is insignificant.

Real estate assets are analysed to determine their highest and best use for the airline's operational and commercial activities.

Disposal of PJSC Aeroflot's non-core assets in 2017

Asset	Inventory number	Asset balance sheet item containing the asset as at the reporting date prior its disposal	Accounting items (analytics included) containing asset disposal income and expense	Book value of the asset, RUB thousand	Actual cost of disposal, RUB thousand	Actual cost of disposal vs book value, RUB thousand	Reason for discrepancies
Hotel complex, 3,670 square metres, Republic of Cabo Verde	8231 (hotel, asset card SAP ERP 102000136)	1130	9111200010 – revenue from the sale of property, plant and equipment	13,886.3 (Inv. No. 8231)	60,848.2 (Inv. No. 8231)	56,173.6	Market value (cost of disposal) of the asset is higher than its book value
	8230 (road, asset card SAP ERP 102000136)		9121200010 – residual value of the sold property, plant and equipment	0.0 (Inv. No. 8230)	7,694.1 (Inv. No. 8230)		
	8217 (open swimming pool, asset card SAP ERP 102000136)		85.8 (Inv. No. 8217)	603.4 (Inv. No. 8217)			
200 Class A ordinary shares of Sampo plc	-	1150	9111400020 – revenue from the sale of securities traded on the regulated market 9121400020 – costs of the sale of securities traded on the regulated market	544.3	598.4	54.1	Market value (cost of disposal) of the asset is higher than its book value
BCEFO				14,516.4	69,744.1	56,227.7	

Contracts to purchase/sell securities/interest in non-core entities signed in 2017

Initiatives to increase/decrease the stake in the share capital of subsidiaries and associates	Change in the stake in the share capital of subsidiaries and affiliates (amount of decrease (-) / increase (+), %)	Reference to the resolution that introduced the change	Benefit
The sale of shares of Sampo plc (Finland)	– 200 Class A ordinary shares	The Programme for Disposal of PJSC Aeroflot's Non-Core Assets approved by PJSC Aeroflot's Board of Directors on 17 October 2016; the Resolution of PJSC Aeroflot's Board of Directors dated 23 June 2017	The shares were sold for RUB 598,400, i.e. above its book value (RUB 544,300).

Operating Data

Aeroflot airline

Indicator	2013	2014	2015	2016	2017
Passenger traffic, thousand PAX	20,902.4	23,610.0	26,111.7	28,977.9	32,845.2
International Routes	12,294.5	12,468.2	13,445.4	14,873.7	17,154.1
Domestic Routes	8,607.9	11,141.8	12,666.3	14,104.2	15,691.1
Passenger turnover, million RPK	60,226.3	67,121.7	74,115.9	82,693.3	91,809.9
International Routes	40,614.4	42,676.5	46,774.4	53,339.0	60,669.4
Domestic Routes	19,611.9	24,445.2	27,341.5	29,354.3	31,140.5
Available seat-kilometres, million ASK	76,444.8	85,822.1	93,471.1	101,757.9	112,246.0
International Routes	52,392.4	56,206.9	60,209.1	67,387.0	75,315.6
Domestic Routes	24,052.4	29,615.2	33,262.0	34,370.9	36,930.4
Passenger load factor, %	78.8	78.2	79.3	81.3	81.8
International Routes	77.5	75.9	77.7	79.2	80.6
Domestic Routes	81.5	82.5	82.2	85.4	84.3
Cargo and mail carried, thousand tonnes	176.5	145.3	135.1	175.5	226.6
International Routes	118.0	81.5	74.6	96.1	148.7
Domestic Routes	58.5	63.8	60.5	79.4	77.9
Revenue tonne-kilometres, million TKM	6,339.9	6,722.7	7,291.0	8,253.1	9,316.5
International Routes	4,306.9	4,236.8	4,571.1	5,264.6	6,199.0
Domestic Routes	2,033.0	2,485.9	2,719.9	2,988.5	3,117.5
Available tonne-kilometres, million TKM	9,848.7	10,660.0	11,706.1	12,694.6	13,676.8
International Routes	6,821.1	6,983.1	7,548.6	8,412.0	9,228.5
Domestic Routes	3,027.6	3,676.9	4,157.5	4,282.6	4,448.3
Revenue load factor, %	64.4	63.1	62.3	65.0	68.1
International Routes	63.1	60.7	60.6	62.6	67.2
Domestic Routes	67.1	67.6	65.4	69.8	70.1
Revenue flights	167,071	183,645	206,228	218,734	243,317
International Routes	98,084	97,668	104,336	110,149	121,003
Domestic Routes	68,987	85,977	101,892	108,585	122,314
Flight hours, hours	509,058	554,659	594,863	639,524	702,807

Aeroflot Group Operating Data continue

Rossiya airline

Indicator	2013	2014	2015	2016	2017
Passenger traffic, thousand PAX	9,084.7	9,962.6	9,066.9	8,800.3	11,152.7
International Routes	4,793.0	4,414.5	2,342.1	2,627.1	4,136.0
Domestic Routes	4,291.7	5,548.1	6,724.7	6,173.2	7,016.7
Passenger turnover, million RPK	22,171.2	21,066.4	16,982.1	20,482.3	28,119.2
International Routes	14,947.1	12,097.0	5,795.4	8,552.8	13,889.0
Domestic Routes	7,224.1	8,969.4	11,186.7	11,929.5	14,230.2
Available seat-kilometres, million ASK	28,445.3	27,502.0	22,913.9	25,245.4	33,300.9
International Routes	18,189.0	15,526.4	7,615.0	9,892.2	15,248.2
Domestic Routes	10,256.3	11,975.6	15,298.9	15,353.2	18,052.6
Passenger load factor, %	77.9%	76.6%	74.1	81.1	84.4
International Routes	82.2%	77.9%	76.1	86.5	91.1
Domestic Routes	70.4%	74.9%	73.1	77.7	78.8
Cargo and mail carried, thousand tonnes	17.7	14.3	14.6	22.7	32.8
International Routes	2.8	2.3	2.1	1.5	2.2
Domestic Routes	15.0	12.0	12.5	21.2	30.6
Revenue tonne-kilometres, million TKM	2,043.2	1,925.3	1,558.3	1,936.2	2,681.5
International Routes	1,352.3	1,094.7	526.6	773.4	1,261.8
Domestic Routes	691.0	830.6	1,031.7	1,162.8	1,419.7
Available tonne-kilometres, million TKM	3,074.7	2,919.6	2,478.5	2,917.0	3,948.2
International Routes	1,947.9	1,625.1	826.2	1,097.2	1,660.3
Domestic Routes	1,126.8	1,294.4	1,652.3	1,819.8	2,287.9
Revenue load factor, %	66.5%	65.9%	62.9	66.4	67.9
International Routes	69.4%	67.4%	63.7	70.5	76.0
Domestic Routes	61.3%	64.2%	62.4	63.9	62.1
Revenue flights	81,622	89,425	82,106	68,590	75,182
International Routes	34,790	35,192	20,778	18,511	22,391
Domestic Routes	46,832	54,233	61,328	50,079	52,791
Flight hours, hours	224,325	230,547	190,446	178,969	200,798

Note. For 2013–2016 consolidated data for Rossiya, Donavia and Orenair airlines.

Pobeda airline

Indicator	2014	2015	2016	2017
Passenger traffic, thousand PAX	107.4	3,089.7	4,285.9	4,582.9
International Routes	–	6.2	473.6	875.1
Domestic Routes	107.4	3,083.5	3,812.3	3,707.8
Passenger turnover, million RPK	134.0	4,668.4	6,712.9	7,929.6
International Routes	–	12.3	1,050.5	1,913.9
Domestic Routes	134.0	4,656.1	5,662.4	6,015.7
Available seat-kilometres, million ASK	171.8	5,746.3	7,605.5	8,418.9
International Routes	–	17.8	1,334.0	2,084.4
Domestic Routes	171.8	5,728.5	6,271.5	6,334.6
Passenger load factor, %	78.0	81.2	88.3	94.2
International Routes	–	68.8	78.8	91.8
Domestic Routes	78.0	81.3	90.3	95.0
Cargo and mail carried, thousand tonnes	0.5	0.3	0.3	6.0
International Routes	–	–	–	2.0
Domestic Routes	0.5	0.3	0.3	4.0
Revenue tonne-kilometres, million TKM	12.6	420.7	604.6	725.7
International Routes	–	1.1	94.5	176.6
Domestic Routes	12.6	419.6	510.1	549.1
Available tonne-kilometres, million TKM	17.6	601.0	800.3	875.2
International Routes	–	1.9	140.5	212.5
Domestic Routes	17.6	599.1	659.8	662.7
Revenue load factor, %	71.6	70.0	75.6	82.9
International Routes	–	58.2	67.3	83.1
Domestic Routes	71.6	70.0	77.3	82.9
Revenue flights	735	20,057	25,668	25,761
International Routes	–	48	3,208	5,062
Domestic Routes	735	20,009	22,460	20,699
Flight hours, hours	1,476	41,016	53,892	59,831

Aeroflot Group Operating Data continue

Aurora airline

Indicator	2013	2014	2015	2016	2017
Passenger traffic, thousand PAX	1,403.6	1,055.2	1,124.8	1,376.2	1,548.2
International Routes	303.9	213.0	234.7	314.4	384.6
Domestic Routes	1,099.7	842.2	890.1	1,061.8	1,163.7
Passenger turnover, million RPK	2,875.8	1,753.1	1,869.7	2,221.8	2,363.7
International Routes	551.2	333.4	370.6	490.1	562.1
Domestic Routes	2,324.6	1,419.7	1,499.1	1,731.7	1,801.6
Available seat-kilometres, million ASK	4,173.6	2,337.9	2,609.8	3,045.2	3,244.8
International Routes	948.3	485.6	647.7	721.1	781.1
Domestic Routes	3,225.3	1,852.3	1,962.1	2,324.1	2,463.7
Passenger load factor, %	68.9	75.0	71.6	73.0	72.8
International Routes	58.1	68.7	57.2	68.0	72.0
Domestic Routes	72.1	76.6	76.4	74.5	73.1
Cargo and mail carried, thousand tonnes	10.4	6.2	6.2	7.2	7.9
International Routes	1.1	0.5	0.4	0.4	0.4
Domestic Routes	9.3	5.7	5.8	6.8	7.5
Revenue tonne-kilometres, million TKM	283.0	170.0	180.3	213.8	227.5
International Routes	51.6	30.8	34.0	44.8	51.3
Domestic Routes	231.4	139.2	146.3	169.0	176.2
Available tonne-kilometres, million TKM	465.0	252.9	287.3	335.1	343.1
International Routes	103.6	53.5	75.4	84.4	84.4
Domestic Routes	361.4	199.4	211.9	250.7	258.7
Revenue load factor, %	60.9	67.2	62.8	63.8	66.3
International Routes	49.8	57.6	45.1	53.0	60.8
Domestic Routes	64.0	69.8	69.1	67.4	68.1
Revenue flights	16,176	12,801	15,441	18,861	24,213
International Routes	4,256	2,852	3,617	4,032	4,969
Domestic Routes	11,920	9,949	11,824	14,829	19,244
Flight hours, hours	42,875	28,695	33,281	39,390	45,673

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Glossary

Aviation terminology

Aviation fuel	aviation fuel, lubricants, and special fluids.
Low-Cost Carrier (LCC)	an airline that offers lower fares than traditional airlines, reflecting limited service provision, while also charging additional fees for on-board and airport services.
Routes	domestic routes, international routes.
Code Sharing	agreement on joint commercial operation of a flight by two or more airlines, one of which acts as the operator (operates the flight in addition to selling tickets), while the others act as marketing partners (selling tickets only).
Network Carrier	an airline that, unlike low-cost carriers, offers a wide variety of services through one or more hubs with connecting flights.
Maintenance, Repair and Overhaul (MRO)	Technical maintenance, ongoing repairs, and major renovations to aircraft.
TCH	Transport Clearing House.
Hub	a hub airport is a central connection point for many different flights: passengers and goods are transported from their departure point to a hub, from which they are carried to their final destination on another plane with other passengers and goods from other parts of the world.
BSP/ARC (Billing and Settlement Plan / Airline Reporting Corporation)	settlement systems between agents and airlines, organised by IATA, that facilitate and simplify air transportation sales on neutral forms (not owned by any airline) thereby offering airlines the opportunity to expand their market presence, minimise financial risks and reduce expenses incurred through the maintenance of sales systems. ARC is an analogous system operated in the United States.
GDS (Global Distribution System)	a global computerised booking network used as a single access point by travel agents, online booking websites, or large corporates to book (reserve) tickets on airlines' flights, as well as hotel rooms, rental cars, etc.
NDC (New Distribution Capability)	a new aviation industry standard (standards) being developed by the IATA to provide airlines with more opportunities to sell their services to passengers both via own channels (such as a website or sales offices), and travel agents. Airlines will be able to customise and offer their air products across all sales channels, improve investment performance, and manage air product pricing. The benefits for passengers will include a simple and convenient access to an airline's products and services, as well as the opportunity to compare offers from different airlines on a range of metrics. Travel agents will be able to provide both a wider offering of products and services, and easier access to them.
IATA (International Air Transportation Association)	IATA, founded in 1945, is the prime vehicle for inter-airline cooperation in promoting safe, reliable, secure, and economical air services – for the benefit of the world's consumers.
ICAO (International Civil Aviation Organization)	an international civil aviation body established following the signing of the Chicago Convention on International Civil Aviation in 1944. It is a specialized UN agency responsible for developing international standards, recommended practices and regulations regarding the technical, economic, and legal aspects of international civil aviation.
IOSA (International Operational Safety Audit)	The IATA IOSA program is an internationally recognized and accepted evaluation system designed to assess a company's: organization and operational management, flight operations, engineering and technical maintenance of aircraft, ground service for aircraft, the operational control systems including maintenance management and flight scheduling, on-board service, aviation safety, and provisions for transporting cargo and hazardous cargo.
ISO	The International Organization for Standardization.

Operational terminology

Passenger traffic (PAX)	the number of passengers carried by an airline.
Direct PAX	passengers flying directly between their origin and destination.
Transit PAX	passengers flying with a stop-over in a hub airport on their way from origin to destination.
Passenger-Kilometres	a measure of passenger capacity actually used, representing transport of one passenger seat over a distance of one kilometre.
Available Seat-Kilometres (ASK)	an airline's available passenger capacity, calculated as the sum of the products of the number of seats available for sale on each flight segment and the length of the segment.
Revenue Passenger-Kilometres (RPK)	passenger capacity actually used, calculated as the sum of the products of the number of passengers carried on each flight segment and the length of the segment.
Tonne-Kilometres	a measure of cargo and passenger capacity used, representing the actual transport of one tonne of cargo (passengers at 90 kg per passenger, commercial cargo, and mail) over a distance of one kilometre.
Available Tonne-Kilometres (ATK)	an airline's available cargo and passenger capacity, calculated as the sum of the products of the maximum commercial load in tonnes on each flight segment and the length of the segment. Maximum commercial load is determined based on relevant flight and transportation documents.
Revenue Tonne-Kilometres (TKM)	an airline's available cargo and passenger capacity actually used, calculated as the sum of passenger, mail, and cargo tonne-kilometres.
Passenger Load Factor (PLF)	a measure of an airline's passenger capacity utilisation, calculated as the ratio of revenue passenger-kilometres (RPKs) to available seat-kilometres (ASKs).
Revenue Load Factor	a measure of an airline's passenger and cargo capacity utilisation, calculated as the ratio of revenue tonne-kilometres (TKMs) to available tonne-kilometres (ATKs).
Origin and Departure points (O&D)	locations between which passengers are transported. This term is used in measuring the quantitative indicators of various markets, as defined by arrival and departure points, irrespective of whether direct or transit traffic is involved.

Financial terminology

Unit revenue and cost	key performance measures in the aviation industry, defined as revenue or cost for ASK or RPK:
Yield	the ratio between passenger revenue and revenue passenger-kilometres;
Revenue per Available Seat-Kilometre (RASK)	the ratio between revenue (either passenger revenue or total revenue) and available seat-kilometres;
Cost per Available Seat-Kilometre (CASK)	the ratio between operating expenses and available seat-kilometres.
Total Shareholder Return (TSR)	measures the return on investment for shareholders, taking into account the share price appreciation and dividends paid.
EBITDA	earnings before interest, taxes, depreciation, and amortization. Aeroflot includes customs duties in this indicator.
EBITDAR	earnings before interest, taxes, depreciation, amortization, and operating lease expenses (rent costs). Aeroflot includes customs duties in this indicator.

Contact Information

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