



API Voting Recommendations for Extraordinary General Meeting

Company: PJSC Aeroflot (AFLT)

Meeting date: October 23, 2018

Record date: August 30, 2018

Company Overview

PJSC Aeroflot is the parent company of Aeroflot Group. The Group consists of several airlines: Aeroflot, Rossiya airlines, Aurora Airlines and Pobeda Airlines. The multi-brand strategy enables the Group to expand its presence in all key market segments on both domestic and international routes. Aeroflot Group aims at strengthening its position as a leading global airline.

PJSC Aeroflot shares are traded on the Moscow Exchange (ticker symbol: AFLT) and registered on the Level 1 Quotation List. The Company's shares are also included in the main Russian stock indices: MOEX Russia Index, Broad Market Index (RUB and USD), MICEX Transport Index (RUB and USD), MICEX 10 Index, and RTS Index.

Outside Russia, PJSC Aeroflot shares are traded as global depository receipts (GDRs) on the Frankfurt Stock Exchange under ticker symbol AETG. One GDR represents 5 common shares of the Company. Deutsche Bank Trust Company Americas acts as the custodian bank.

As of December 31, 2017, the authorized capital of PJSC Aeroflot amounted to RUB 1,110,616,299 and consisted of 1,110,616,299 common registered book-entry shares with a nominal value of RUB 1 each. The Company has not placed any preferred shares.

The biggest shareholder of PJSC Aeroflot is the Russian Federation represented by the Federal Agency for State Property Management (Rosimushchestvo) which owns 51.2% of the total number of the Company's common shares. 45.2% of the total number of common shares are free floating.

No.	EGM agenda item	API recommendation
1.	Approval of the agenda, voting procedure, members of the working bodies of the Extraordinary General Shareholders Meeting of PJSC Aeroflot	FOR
2.	Early termination of powers of the Board of Directors	ABSTAINED
3.	Election of members of the Company's Board of Directors	API recommends voting FOR Alexey Germanovich and Vasiliy Sidorov (API-supported independent directors)*

* The API recommends that the shareholders vote "FOR" independent directors **Alexey Germanovich** and **Vasiliy Sidorov** nominated by institutional investors and supported by API members investing both in Russia and globally. Members of the Company's Board of Directors shall be elected by cumulative voting.

It should be noted that the reference materials for the meeting do not indicate any reasons for the proposed re-election of the Board of Directors elected at the Annual General Shareholders Meeting in 2018 or the person initiating such re-election.

The API recommends voting "Abstained" on the early termination of the Board's powers given that the current independent director Lars Eric Anders Bergström was not included in the list of candidates, with the result that the number of independent directors on the Board will decrease from 4 to 3 at best, or even to 1 should the investors be unable to elect 2 independent directors by their votes.

In-depth review of the Extraordinary General Meeting agenda:

1.	EGM agenda item	API recommendation
	Approval of the agenda, voting procedure, members of the working bodies of the Extraordinary General Shareholders Meeting of PJSC Aeroflot	FOR

DRAFT RESOLUTION ON AGENDA ITEM 1:

Approve the agenda, voting procedure, members of the working bodies of the Extraordinary General Shareholders Meeting of PJSC Aeroflot.

2.	EGM agenda item	API recommendation
	Early termination of powers of the Company's Board of Directors	ABSTAINED

AGENDA ITEM 2 DETAILS:

The reasons for the proposed re-election of the Board of Directors elected at the 2018 Annual General Shareholders Meeting, as well as the person initiating such re-election remain completely undisclosed in the meeting-related materials. Therefore, also considering that the number of independent directors will decrease from 4 to 1 as a result of the re-election should the investors be unable to elect 2 independent directors, the API recommends voting "Abstained" on this agenda item.

DRAFT RESOLUTION ON AGENDA ITEM 2:

Terminate the powers of the Company's Board of Directors ahead of time.

3.	EGM agenda item	API recommendation
	Election of members of the Company's Board of Directors	API recommends voting FOR Alexey Germanovich and Vasiliy Sidorov (API-supported independent directors)*

AGENDA ITEM 3 DETAILS:

According to the Company's Articles of Association, the Board of Directors consists of 11 members. The shareholders have nominated 13 candidates, including 10 current Board members (italicized below).

The API recommends that the shareholders vote FOR the independent directors supported by API members.

No.	Name	Candidate's employer / position (as of nomination date)	Nominated by / equity stake	Full years on the Board	Status
1.	<i>Mikhail Voevodin</i>	<i>Director General, Public Joint Stock Company VSMPO-AVISMA Corporation</i>	<i>Russian Federation (represented by the Federal Agency for State Property Management / Rosimushchestvo) / 51.173%</i>	1	<i>non-executive director</i>
2.	<i>Alexey Germanovich*</i>	<i>Member of the Management Board, Endowment Asset Management Fund "Development of St-Petersburg State University"</i>	<i>East Capital for and on behalf of East Capital Russia, East Capital for and on behalf of East Capital Eastern Europe, The Prosperity Cub Fund, The Russia Domestic Fund Limited, Prosperity Capital Management SICAV, The Russian Prosperity Fund, The Prosperity Quest Fund, jointly owning 2.09% of shares</i>	4	<i>independent director</i>
3.	<i>Yevgeny Ditrikh</i>	<i>Minister of Transport of the Russian Federation</i>	<i>Board of Directors of PJSC Aeroflot – Russian Airlines</i>	0	<i>non-executive director</i>
4.	<i>Igor Zavyalov</i>	<i>Deputy CEO, Rostec State Corporation for Assistance to Development, Production and Export of Advanced Technology Industrial Product</i>	<i>Limited Liability Company Avia Capital Service / 2.04%</i>	0	<i>non-executive director</i>
5.	<i>Igor Kamenskoy</i>	<i>Managing Director, Limited Liability Company "Renaissance Broker".</i>	<i>Russian Federation (represented by the Federal Agency for State Property Management / 51.173%</i>	4	<i>independent director</i>
6.	<i>Roman Pakhomov</i>	<i>Director General, Limited Liability Company Avia Capital Service</i>	<i>Limited Liability Company Avia Capital Service / 2.04%</i>	4	<i>non-executive director</i>
7.	<i>Dmitriy Peskov</i>	<i>Director of the Young Professionals section, autonomous nonprofit Organization "Agency for Strategic Initiatives to Promote New Projects"</i>	<i>Russian Federation (represented by the Federal Agency for State Property Management / 51.173%</i>	4	<i>non-executive director</i>
8.	<i>Mikhail Poluboyarinov</i>	<i>First Deputy Chairman, Management Board member, Bank for Development and Foreign Economic Affairs (Vnesheconombank)</i>	<i>Russian Federation (represented by the Federal Agency for State Property Management / 51.173%</i>	1	<i>non-executive director</i>

9.	Vitaliy Saveliev	Director General, Public Joint Stock Company Aeroflot – Russian Airlines.	Russian Federation (represented by the Federal Agency for State Property Management / 51.173%	9	executive director
10.	Vasily Sidorov*	Director General, Limited Liability Company "Agency for Recapitalization of Infrastructure and Long-Term Assets".	East Capital for and on behalf of East Capital Russia, East Capital for and on behalf of East Capital Eastern Europe, The Prosperity Cub Fund, The Russia Domestic Fund Limited, Prosperity Capital Management SICAV, The Russian Prosperity Fund, The Prosperity Quest Fund, jointly owning 2.09% of shares	5	independent director
11.	Yuriy Slyusar	President, Public Joint Stock Company United Aircraft Corporation	Russian Federation (represented by the Federal Agency for State Property Management / 51.173%	3	non-executive director
12.	Maxim Sokolov	CEO, PJSC LSR Group	Russian Federation (represented by the Federal Agency for State Property Management / 51.173%	0	non-executive director
13.	Sergey Chemezov	CEO, Rostec State Corporation for Assistance to Development, Production and Export of Advanced Technology Industrial Product	Limited Liability Company Avia Capital Service / 2.04%; Russian Federation (represented by the Federal Agency for State Property Management / 51.173%	7	non-executive director

Members of the Company's Board of Directors shall be elected by cumulative voting.

*The API officially supports the candidates at the Extraordinary General Shareholders Meeting.

The API recommends voting only for Alexey Germanovich and Vasily Sidorov, giving half of the votes for each of them. In view of the limited voting of the Company's free float and the extremely low quorum at the 2018 AGM (61.62%), investors will have to cumulate at least 8% of the votes (4% for each candidate) to elect 2 independent directors. Igor Kamenskoy, another independent director nominated by Russia's Federal Agency for State Property Management (Rosimushchestvo) pursuant to the Government's instruction 1482-R dated July 18, 2018 will be supported by the votes of Rosimushchestvo.

Details on the API's engagement with independent directors are provided on the official API website:

<http://api-russia.org>.

All independent directors supported by the API are open to direct contact with shareholders; please contact us for further information.

DRAFT RESOLUTION ON AGENDA ITEM 3:

Elect eleven members of the Board of Directors of PJSC Aeroflot from among the following candidates:

1. Mikhail Voevodin;
2. Alexey Germanovich;
3. Yevgeny Ditrikh;
4. Igor Zavyalov;
5. Igor Kamenskoy;
6. Roman Pakhomov;
7. Dmitriy Peskov;

8. Mikhail Poluboyarinov;
9. Vitaliy Saveliev;
10. Vasiliy Sidorov;
11. Yuriy Slyusar;
12. Maxim Sokolov;
13. Sergey Chemezov.

The Voting Recommendations are based on the Extraordinary General Meeting reference materials published on the website of PJSC Aeroflot. For questions and/or comment, please contact us at: +7 (495) 510-5306 or via email: maksimov@api-russia.org.