

## HR Policy

Aeroflot's HR policy is designed to assist realization of the Company's strategic development goal of transforming Aeroflot into a global network carrier with leading positions in service quality, use of innovation, and volumes of domestic and international carrying, and to achieve competitive advantages by attracting highly qualified specialists to take employment at the Company.

The growing importance of the human factor in today's business entails special importance of the following HR management functions:

design and implementation of HR management and development strategies in accordance with the Company's strategic goals and objectives;  
creation of an atmosphere where each Company employee feels part of a team and accountable for his/her own performance.

The goal of Aeroflot's HR policy is to create a special and efficient system of relationships that is specific to our Company and represents one of our main competitive advantages. The policy is designed to achieve economic efficiency in all aspects of work with personnel by taking account of all of the factors, which motivate employees to realize their potential to the fullest extent.

To pursue this goal, the Personnel Management Department is focused on:

ensuring that Aeroflot employees have attractive opportunities for professional development;  
hiring the most highly qualified specialists with the greatest potential for professional growth;  
pursuing an efficient social policy and ensuring that employees enjoy social protection, including pension provision.

Principle HR activities at Aeroflot are as follows:

hiring air crew and cabin crew to ensure success of the Company's operating schedule;  
training personnel to work on new types of aircraft;  
providing social guarantees to personnel;  
assessing performance by personnel.

Growth in the number of pilots and stewards reflects expansion of the fleet and of flight geography.

Slight changes in other personnel categories are due to ongoing reorganization at Company sub-divisions.

### Aeroflot Group employee headcount

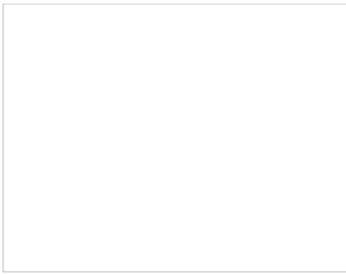
	2012	2011
JSC Aeroflot	16,418	15,000
JSC Donavia	1,063	1,234
OJSC Rossiya Airlines	3,493	3,312
JSC Vladivostok Air	1,519	2,180
JSC SAT Airlines	773	785
JSC ORENAIR	2,366	2,227
CJSC Sherotel	257	276
CJSC Aeromar	2,938	2,288
CJSC Aerofirst	717	632
LLC Aeroflot-Finance	4	3
<b>TOTAL</b>	<b>29,548</b>	<b>27,937</b>

### Aeroflot personnel structure by category (number of employees)

### PROFESSIONAL RETRAINING AND RAISING OF QUALIFICATIONS

Aeroflot arranged training for about 23,000 employees in 2012 (some of them underwent more than one training programme) both in-house and at external institutions, where they followed programmes for retraining, raising of qualifications, and certification.

In the reporting year the Flight Personnel Training Department carried out 383 drill meetings, and trained more than 6000 engineering and technical employees and flight personnel as part of training programmes for operation of new aircraft types and using flight simulators.



\* Aircraft commanders were reclassified as "specialists" in 2012 due to changes in the calculation methodology.

THE AVERAGE AGE OF AEROFLOT PERSONNEL IN 2012 WAS 39.4 YEARS, DOWN FROM 39.9 YEARS IN 2011. SO THE AVERAGE AGE OF COMPANY EMPLOYEES HAS CONTINUED TO DECLINE.

#### Personnel structure by age (%)



#### Labour productivity (million PKM/employee)



#### Change of average monthly wages (thousand rubles)



Labour productivity rose in the reporting year by 12.6% versus 2011 thanks to increase of passenger turnover.

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The Russian federal authority for civil aviation developed and approved the following programmes of training, retraining and raising of qualifications for flight personnel and engineering and technical personnel:

- a flight personnel retraining programme for the Boeing 777;
- a programme and methodology for training of flight and cabin crews in emergency procedures as part of annual training for the SSJ-100;
- a flight personnel retraining programme for the SSJ-100;
- T-1, T-2, T-4 retraining programmes for engineering and technical personnel for the SSJ-100 (SaM146);
- a programme entitled "Maintenance of Foreign-Made Aircraft" for engineering and technical personnel.

All engineering and technical specialists of the Aircraft Maintenance Department and Aeroflot's offices in Russia and abroad follow online distance-learning courses on raising of their qualifications.

Most of the specialists who are retrained and deployed in new positions are pilots. A total of 473 pilots were deployed in new positions in 2012, which is 23.8% more than in 2011, reflecting further increase in the number of Airbus and Boeing 777 aircraft operated by Aeroflot.

### HEALTH AND SAFETY

Aeroflot has an efficient health and safety system in place. The Company carries out attestation of work places by working conditions and certification of jobs by health and safety criteria. A total of 1,063 work places were attested at the Company in 2012, including SSJ-100 air crew, who represent 22.5% of total 4,720 work places at JSC Aeroflot.

Aeroflot continued work in 2012 to improve working conditions, health and safety and labour protection arrangements for Company employees.

The Company carries out regular drills for employees and assesses their knowledge of health and safety requirements, in compliance with provisions of the Russian Labour Code. A total of 338 managers and specialists underwent health and safety training and knowledge tests in 2012 at Aeroflot's permanent commission for health and safety issues.

Company employees undergo regular medical checks. In 2012 medical checks were provided for 276 employees of ground-support sub-divisions and 50 cabin crew at the Moscow Center for Occupational Illness. The Center did not diagnose any instances of occupational illness among Aeroflot staff.

### AEROFLOT AVIATION SCHOOL

The Aeroflot Aviation School helps to meet Aeroflot's own HR needs and the needs of other Russian air transportation companies.

A substantial part of flight personnel training functions were transferred to the Aeroflot Aviation School in 2012. In October 2012 the Aeroflot Aviation School was given official status as an institute of secondary vocational education. The new status will enable the School to provide basic professional training to personnel of both Aeroflot and other airlines. In 2012 the School provided instruction to more than 15,000 aviation specialists, who followed 150 programmes of initial training, retraining and raising of qualifications.

### SOCIAL PROGRAMMES FOR COMPANY EMPLOYEES

Aeroflot's social programme in 2012 was focused on the following areas:

#### Rest cures and holidays for employees and members of their families

About 1,500 Company employees travelled to resort facilities at the Company's expense in 2012 (including 81 children who benefited from rest cures together with their parents through the "mother and child" scheme). During the summer school holidays 300 children of Aeroflot employees were accommodated at the Dune Club camp at Solnechny Bereg resort in Bulgaria. Employees and their families also took holidays at sanatoria and leisure facilities in Central Russia and Russian seaside resorts in Krasnodar Territory, at spa locations in the Caucasus, in the Crimea and outside Russia (Israel and Turkey). Several new destinations (Sharjah in the UAE and Krapinske Toplice in Croatia) were added to the holiday programme for Aeroflot employees and their families.

#### Voluntary medical insurance

A total of RUB 51.2 million was spent in 2012 on health-resort cures and holidays for employees and their family members (children) under Voluntary Medical Insurance Agreement № M2-2495811, which was contracted with ROSNO insurance company. Visits to health-resorts were provided to 794 people (703 Aeroflot employees and 91 children) during 2012 under the voluntary medical insurance programme.

#### Prevention of injury and illness at work

Health resort treatment for occupational injury and occupational illness was provided to a total of 690 Aeroflot employees during 2012.

#### Health and leisure provision for children

The cost of holidays and treatment for children in 2012 at health-resort facilities was paid from voluntary medical insurance funds. There was strong demand for the programme benefits in 2012, partly due to the opening of a new holiday camp for children — the Dune Club at Solnechny Bereg in Bulgaria. Total RUB 11.6 million of voluntary medical insurance funds were spent on the programme in the reporting year, and 300 children of Company employees benefited.

#### Non-state pension provision

The Company allocated RUB 49,500,000 in its 2012 budget for its non-state pension programme. Spending on the programme was monitored monthly.

#### Corporate transport and parking

An average of 2,850 employees per day (including 242 employees of subsidiaries) used vehicle transport provided by the Company in 2012, and Aeroflot employees were provided with average 1,710 car spaces per month at corporate parking lots.

#### Community occasions, festivals and sports events

Aeroflot sports teams took part in a number of competitions in in the reporting year: the 7th Mini-Football Tournament (to mark Civil Aviation Day) and the World Ski Championship for veterans in Germany in February; a Volleyball Tournament to mark the 67th anniversary of VE Day and a friendly football match with the Rossiya Airlines team in St. Petersburg in May; the 8th CIS International Sports Games in Cholpon-Ata (Kyrgyzstan) in September; an international ice-hockey tournament in Prague in November; and a friendly football match with the Volga-Dnepr airline team in December.

The Company rented tennis courts at Luzhniki sports center during 2012 as well as a multi-purpose gym at the Ozero Krugloye Hotel (Ostankino TV Center) where Company employees could play football and volleyball. Some 87 employees attended aerobics and fitness sessions at the Company's expense and ski enthusiasts benefited from 20 season tickets to the Volen ski park during the 2012–2013 season.

#### Assistance to Aeroflot air crew for housing purchases

During 2012 Aeroflot continued its programme to help air crew purchase their own accommodation by subsidizing interest payments on mortgage loans provided by banks. Interest rates are subsidized up to the level of the Russian Central Bank refinancing rate on the date when the mortgage was obtained. Subsidies were paid to 50 employees in 2012 and payments totaled RUB 14,090,628.53.

#### Lease of housing for key specialists

The Company implemented a comprehensive programme in 2012 to provide accommodation in Moscow for key personnel who live in other cities but need a base in Moscow for work purposes. The programme, which includes lease of private housing and accommodation at the "Aeroflot Town" (Ozero Krugloye Hotel at Ostankino TV Center), helped the Company to attract much-needed specialists (pilots and stewards) to work at the Company in 2012. Accommodation at Aeroflot Town (1046 places) was 100% occupied by the end of the year.

#### Financial assistance to employees

Some 110 employees obtained personal financial assistance totaling RUB 10.0 million in 2012.

#### Discount air fares for employees

Aeroflot has been a participant since 2006 in the ZED/MIBA FORUM non-profit organization, which has a regulatory framework for providing staff travel at discounted fares on a large number of airlines (the organization includes more than 190 airlines worldwide). During 2012 Aeroflot signed employee discount agreements with 8 new airlines. Company employees thus have the opportunity to reach many destinations around the world at prices, which they can afford.