

Major transactions that were closed by MegaFon OJSC in 2013

Governance body that approved transaction	Material terms of transaction
<p>Board meeting No. (264) dated 12.11.2013</p>	<p>Interrelated transactions between MegaFon OJSC ('Borrower') and Sberbank of Russia OJSC ('Bank'): three non-revolving loan facilities where the subject of the transaction is the assets, the book value of which is more than 25% but less than 50% of the Company's gross assets.</p> <p>Parties: MegaFon OJSC ('Borrower') and Sberbank of Russia OJSC ('Bank'). Supplementary agreement to the Credit Facility No. 5541 dated 19.04.2012 (Supplementary agreement 1) and Supplementary agreement to the Credit Facility No. 5542 dated 19.04.2012 (Supplementary agreement 2) with changes in the following material terms and conditions:</p> <p>Credit Facility 1:</p> <ul style="list-style-type: none"> • Tenor: five years from the date of signing of SA 1; • Loan repayment: four semi-annual installments, starting in three-and-a-half years since the date of SA 1, and on the date of the final loan repayment; • Interest rate: fixed at 8.35% per annum (in accordance with the payment schedule of Credit Facility 1); • Prepayment penalty: in accordance with the terms and conditions of the SA 1; <p>Credit Facility 2:</p> <ul style="list-style-type: none"> • Tenor: seven years from the date of signing of SA 2; • Loan repayment: four semi-annual installments, starting in five-and-a-half years since the date of SA 2, and on the date of the final loan repayment; • Interest rate: fixed at 8.60% per annum (in accordance with the payment schedule of Credit Facility 2) • Prepayment penalty: in accordance with the terms and conditions of the SA 2; <p>Price of transaction – in the amount of up to RUR 105,000,000,000.</p>

Related party transactions that were closed by MegaFon OJSC in 2013

Governance body that approved transaction	Material terms of transaction	Related parties
<p>Annual General Shareholders Meeting dated 28.06.2013</p>	<p>Interrelated agreements: service agreement based on mutual use of Mobile Virtual Network Operator business model between MegaFon OJSC and Scartel LLC No. 1/MVNO and Master Service Agreement No. 1 between MegaFon OJSC and Scartel LLC. Parties: MegaFon OJSC and Scartel LLC. MegaFon OJSC shall provide to Scartel LLC the following services, perform works, assign property (rights):</p> <ul style="list-style-type: none"> • provision of 2G/3G network radio access infrastructure; • provision of other infrastructure (colocation of Scartel's equipment on sites of MegaFon BTS, placement of Scartel racks in MegaFon's Data center); • provision of virtual communication channels to Scartel's base stations; • interconnection between Scartel and MegaFon Data networks and transmission of traffic on the Data network; • provision of national and international roaming; • provision of communication channels; • provision of virtual communication channels (IP VPN), as well as provision of other services, works, and assigning property (rights). <p>Scartel LLC shall provide to MegaFon OJSC the following services, perform works, assign property (rights):</p> <ul style="list-style-type: none"> • provision of 4G network radio access infrastructure; • provision of other infrastructure (colocation of MegaFon equipment on sites of Scartel BTS, placement of MegaFon OJSC racks in Scartel LLC Data center); • provision of virtual communication channels to MegaFon Base stations; • interconnection between Scartel and MegaFon telecommunication networks and their interaction (IP-traffic transmission); • provision of virtual communication channels (IP VPN), as well as provision of other services, works, and assigning property (rights). <p>Price of transaction is RUR 55,166,749,750.</p> <p>As of 31 December 2013 the total amount of the effected transaction is RUR 1,409,265,427.</p>	<p>Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited</p>

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
<p>Extraordinary General Shareholders Meeting dated 12.09.2013</p>	<p>Interrelated transactions: Share purchase agreement for 100% shares of Maxiten Co Limited, and other agreements, transactions and documents, related thereto.</p> <p>Parties: MegaFon OJSC ('Purchaser'), Garsdale Services Investment Limited ('Seller-1') and Kable Global Inc., a company organised under the laws of the British Virgin Islands, registration number 1541504, with its registered office located at 33 Porter Road, P.O. Box 3169 PMB 103, Road Town, Tortola, British Virgin Islands, as seller ('Seller-2' and together with Seller-1, the 'Sellers').</p> <p>In the course of the Transaction the Company shall purchase:</p> <ul style="list-style-type: none"> a) 3,960 shares with the nominal value of one Euro each ('Seller-1 Shares') representing 99% of issued shares of Maxiten Co Limited, a company organised under the laws of the Republic of Cyprus, registration number 247264, with its registered office located at Arch. Makariou & Kalograion, 4 Nicolaides Sea View City 9th Floor, Flat/Office 903 – 904 Block A-B, 6016, Larnaca, Cyprus ('Target Company'), which is the sole participant of LLC Scartel (Principal State Registration Number (OGRN) 5077746847690, located at 13 Rusaikovskaya Street, 107140 Moscow, Russian Federation) and LLC Yota (Principal State Registration Number (OGRN) 1097847177251, located at Letter A, 126 Savushkina Street, 197374 Saint-Petersburg, Russian Federation), from Seller-1; and b) 40 shares representing 1% of the Target Company's issued shares, from Seller-2 ('Seller-2 Shares', and together with 'Seller-1 Shares', the 'Shares'). <p>Price of the Transaction and Payment Procedure:</p> <p>The total price for the shares shall be:</p> <ul style="list-style-type: none"> (1) US\$ 1,180,000,000 ('Purchase Price') payable in deferred installments as follows: <ul style="list-style-type: none"> a) on (and not earlier than, except in the case where the shares of the Target Company, or shares in LLC Yota or LLC Scartel, are sold by the Company to a third party purchaser and the proceeds from such sale are received by the Company prior to the first anniversary of the date of closing of the Transaction pursuant to the Agreement ('Closing'), which case is further described in the Agreement) the first anniversary of the Closing date: <ul style="list-style-type: none"> (i) US\$ 584,100,000 shall be paid to Seller-1; and (ii) US\$ 5,900,000 shall be paid to Seller-2; and 	<p>AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Streshinsky V.Y.</p>

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Extraordinary General Shareholders Meeting dated 12.09.2013 (continued)	<p>b) on (and not earlier than, except in the case where the shares of the Target Company, or shares in LLC Yota or LLC Scartel, are sold by the Company to a third party purchaser and the proceeds from such sale are received by the Company prior to the first or the second anniversary of the Closing date, which case is further described in the Agreement) the second anniversary of the Closing date:</p> <p>(i) US\$ 584,100,000 shall be paid to Seller-1; and</p> <p>(ii) US\$ 5,900,000 shall be paid to Seller-2,</p> <p>pursuant to the Agreement, in each case subject to additional deferments, post-closing adjustment (in accordance with the procedure described below) and other possible adjustments provided for in the Agreement, as well as:</p> <p>(2) interest on the Purchase Price accrued pursuant to the Agreement from the Closing date to the date of payment of the respective portion of the Purchase Price at the rate of 6% per annum.</p> <p>On or before the date falling 45 calendar days after the Closing date the Company shall deliver to the Sellers its written calculation ('Calculation') of:</p> <p>a) Net Working Capital (pursuant to the Agreement) of the Target Company, LLC Yota and/or LLC Scartel ('Target Group') as of the Closing date ('Closing Net Working Capital'); and</p> <p>b) the aggregate amount of (i) the Net Financial Debt (pursuant to the Agreement) of the Target Group, and (ii) liabilities under the Intergroup Loans, in each case as of the Closing date ('Closing Net Debt');</p> <p>prepared in accordance with the form, contents, principles and procedures set forth in the Agreement.</p> <p>Within the period from the date of receipt of the Calculation defined in the Agreement, the Sellers shall notify the Company in writing of their consent to the amount of the Closing Net Working Capital and the Closing Net Debt or shall submit their objections.</p> <p>In case of any objections to the Calculation, the Company and the Purchasers shall hold negotiations to agree upon the Calculation, and if such negotiations are not successful, they shall engage independent auditors being members of the 'Big 4' for purposes of finalising the agreement on the Calculation, in each case in accordance with the procedures specified in the Agreement.</p>	

Related party transactions that were closed by Megafon OJSC in 2013

(continued)

Governance body that approved transaction	Material terms of transaction	Related parties
<p>Extraordinary General Shareholders Meeting dated 12.09.2013 (continued)</p>	<p>Once the Calculation has been agreed, the Purchase Price shall be adjusted as follows:</p> <p>if:</p> <ul style="list-style-type: none"> a) the total amount of the Closing Net Working Capital is lower than the amount(s) of the respective Net Working Capital specified in the Agreement (save as a foreseeable result (directly or indirectly) of requests by the Company (whether pursuant to the terms of the MVNO Agreement No. 1/MVNO between the Company and LLC Scartel dated 24 February 2012, as amended, and the Master agreement No. 1 between the Company and LLC Scartel dated 1 January 2013, as amended, or otherwise) by more than US\$ 500,000, the Purchase Price shall be reduced by an amount equal to that difference less US\$ 500,000; b) the total amount of the Closing Net Debt exceeds US\$ 600,000,000 plus US\$ \$20,000,000 for every calendar month (unless a greater amount is approved by the Company) from 1 July 2013 to the Closing date by more than US\$ 500,000, the Purchase Price shall be reduced by an amount equal to such difference less US\$ 500,000). 	
<p>Extraordinary General Shareholders Meeting dated 31.10.2013</p>	<p>Agreement(s) on MegaFon's and Group's Directors, Officers and Companies Liability Insurance; Insurer – SOGAZ OJSC or Rosgosstrakh LLC, Alfastrakhovanie OJSC, SK Aliance OJSC, Ingosstrakh OJSIC Parties: SOGAZ OJSC or Rosgosstrakh LLC, Alfastrakhovanie OJSC, SK Aliance OJSC, Ingosstrakh OJSIC.</p> <p>Term of the Directors' and Officers' agreement: up to one year with the right for renewal.</p> <p>Insurance amount: at least US\$ 150,000,000.</p> <p>Price of the transaction: Where insurance coverage is equal to US\$ 150,000,000 – the amount of insurance premium for Directors and Officers coverage will be maximum US\$ 205,000 or equivalent in other currency.</p>	<p>Tavrin I.V., Bashmakov A.V., Vermishyan G.A., Gasparyan A.G., Dubin M.A., Ostrovsky E.G., Serebryanikova A.A. Chermashentsev E.N, Shirokov I.V., Velichko V.L., Grigoriev A.S., Korchagin P.V., Levykin A.B., Likhododov K.M., Semenov A.B., Tyutin A.L., Frolov S.A., Ahrnell J.H., Lord Myners P., Rudberg J.E., Soldatenkov S.V., Streshinsky V.Y., Erixon J.D., Edstrom C.M., AF Telecom Holding LLC, TELECOMINVEST HOLDINGS LIMITED, MEGAFON INVESTMENTS (CYPRUS) LIMITED, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.</p>

Related party transactions that were closed by Megafon OJSC in 2013

(continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 189 (253) dated 05.03.2013	<p>Revolver Loan Agreement between MegaFon OJSC and TT mobile CJSC No. L00190310 dated 19.03.2010. Parties: Revolver Loan Agreement between MegaFon OJSC ('Lender') and TT mobile CJSC ('Borrower'). Loan amount: increase of loan amount by US\$ 10,000,000 (from US\$ 125,900,000 to US\$ 135,900,000). Loan tenor: six years. Interest rate: 20% per annum. Price of transaction is US\$ 298,980,000.</p>	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., Ermakov V.V.
	<p>Guarantee Agreement of MegaFon OJSC on performance by TT mobile CJSC ('Debtor') of its obligations to UniCredit CJSC. Parties: Guarantee Agreement of MegaFon OJSC ('Guarantor') on performance by TT mobile CJSC ('Debtor') of its obligations to UniCredit CJSC ('Creditor'). Validity period of the Guarantee agreement: 18 months. Price of transaction is US\$ 11,000,000.</p>	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., Ermakov V.V.
	<p>Interrelated Lease and Sublease Agreements between MegaFon OJSC and MegaFon Retail OJSC No. 01-MФP/2013, No. 02-MФP/2013. Parties: MegaFon OJSC and MegaFon Retail OJSC. Price of transaction is RUR 113,593,020.</p>	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V.
Board meeting No. 191 (255) dated 01.04.2013	<p>Master Agreement between MegaFon OJSC and MegaFon Retail OJSC No. 1. Parties: MegaFon OJSC and MegaFon Retail OJSC. MegaFon OJSC plans to provide agency, consulting, information, and other services, works, to assign property (including but not limited – mobile equipment) and rights to MegaFon Retail OJSC. MegaFon Retail OJSC plans to provide information, consulting, agency and other services, works, to assign property (rights) to MegaFon OJSC. Price of transaction is RUR 1,200,000,000.</p>	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V.
	<p>Revolver loan agreement between MegaFon OJSC and MegaFon Retail OJSC No. 2001 dated 11.01.2012. Parties: MegaFon OJSC ('Lender') and MegaFon Retail OJSC ('Borrower'). Loan amount: increase of the Loan amount by RUR 1,417,000,000 (from RUR 2,810,000,000 up to RUR 4,227,000,000). Loan tenor: till 06.03.2017 inclusive. Interest rate: 8% per annum. Price of transaction is RUR 5,917,800,000.</p>	Telecominvest CJSC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited.
Board meeting No. 192 (256) dated 14.05.2013	<p>Revolver loan agreement between MegaFon OJSC and MegaFon Retail OJSC dated 11.01.2012. Parties: MegaFon OJSC ('Lender') and MegaFon Retail OJSC ('Borrower'). Loan amount: increase of the Loan amount by RUR 2,833,000,000 (from RUR 4,227,000,000 up to RUR 7,060,000,000). Loan tenor: till 06.03.2017 inclusively. Interest rate: 8% per annum. Price of transaction is RUR 9,884,000,000.</p>	Telecominvest CJSC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited.
	<p>Surety agreement of MegaFon OJSC No. 001/0770Z/13 dated 25.04.2013 on performance by TT mobile CJSC of its obligations to UniCredit Bank CJSC under Loan agreement No. 001/0304L/13 dated 25.04.2013 Parties: MegaFon OJSC ('Surety'), TT mobile CJSC ('Debtor') and UniCredit Bank CJSC ('Creditor'). Term of the Surety agreement: 18 months from the signature date of the Surety agreement. Price of transaction is US\$ 11,000,000.</p>	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., Ermakov V.V., Vermishyan G.V.

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 192 (256) dated 14.05.2013 (continued)	<p>Interrelated agreements (multilateral agreement) of guarantee between MegaFon OJSC , CB CITIBANK CJSC and subsidiaries of MegaFon OJSC.</p> <p>Parties: MegaFon OJSC ('Guarantor'), CB CITIBANK CJSC ('Lender') and subsidiaries of MegaFon OJSC ('Debtors').</p> <p>The guarantee agreements shall be in effect until complete performance of obligations.</p> <p>Price of transaction is RUR 760,000,000.</p>	<p>Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited.</p>
	<p>Interrelated agreements (multilateral agreement) on overdraft with total limit between MegaFon OJSC, Sberbank of Russia OJSC and subsidiaries of MegaFon OJSC.</p> <p>Parties: MegaFon OJSC ('Borrower'), Sberbank of Russia OJSC ('Lender') and subsidiaries of MegaFon OJSC ('Borrowers').</p> <p>Total Overdraft Limit: maximum RUR 3,000,000,000; Term of Overdraft Credit: up to one year with possible extension for the same period subject to the Parties' approval; Limit Availability Period: up to 30 calendar days;</p>	<p>Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited.</p>
	<p>Disbursement schedule: unfixed, when cash is not available or insufficient on the Borrower's account and there is a temporary gap in cash flow;</p>	
	<p>Repayment of credit:</p> <ul style="list-style-type: none"> • daily at the end of each banking day, if there is a credit balance on the Main Pool Account that appears at the end of the banking day and a debt under Overdraft credit: in the amount of debt under Overdraft credit, but up to the specified credit balance. • on the final repayment day as set forth under the Agreement: in the amount of borrowed debt as of the final repayment date. • on the end date of the current Limit Availability Period: in the excess amount between the borrowed debt balance and the Total Overdraft Limit as set forth for the current Limit Availability Period. • no later than on the 30th calendar day of the Overdraft Continuous Use Period: in the amount of borrowed debt balance, provided that the Agreement stipulates full repayment of debt from time to time to be made as follows: <ul style="list-style-type: none"> – the Agreement sets forth Overdraft Continuous Use Periods (period when the Borrower's debt under the Agreement is not due and payable) of maximum 30 calendar days each that will be extendable during the Agreement term; – Overdraft Continuous Use Period shall start from the date when debt appears on the credit account, including the date when debt appears on the credit account after its complete repayment during the Agreement term, and shall end on the date of full repayment of debt on the credit account, but no later than on the 30th calendar day of the Overdraft Continuous Use Period; – on the 30th calendar day of the Overdraft Continuous Use Period the debt under Overdraft Credit will become due. 	

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 192 (256) dated 14.05.2013 (continued)	<p>Interest rate: up to 7.03% per annum shall be set for the first Limit Availability Period subject to monthly revision simultaneously with adjustment of the Total Overdraft Limit.</p> <p>Interest shall be payable on the end date of the Limit Availability Period and on the final repayment date as set forth by the Agreement on overdraft with total limit. Maximum interest rate shall be 10% per annum;</p> <p>Credit purpose: payments under settlement documents of the Pool Participants in MegaFon Group (Holding Company) and included in the Pool of Accounts 'Overdraft with Total Limit', if there is no or insufficient cash on accounts of these entities, using the Total Overdraft Limit that is set for the account of MegaFon OJSC.</p> <p>Penalty for late repayment of credit and/or late interest payment and/or late payment of overdraft front-end fee: interest rate under the Agreement multiplied by two shall be charged on annual basis on the overdue payment amount for each day of delay from the date when the debt becomes due (excluding that date) till the date of complete repayment of overdue debt (including that date);</p> <p>The Borrower must maintain positive net assets value as of each quarterly reporting date during the term of the Agreement. Price of transaction is RUR 3,300,000,000.</p>	
	<p>Master Agreement between MegaFon OJSC and Yota LLC No. 1 MGF-Yota. Parties: MegaFon OJSC and Yota LLC. MegaFon OJSC shall provide Yota LLC with the following services, perform works, and assign property (rights):</p> <ul style="list-style-type: none"> • provision of communication channels; • provision of virtual communication channels (IP VPN); • interconnection between Yota and MegaFon Data networks and transit of traffic via Data network; • colocation of equipment in the Data Center, as well as provide other services, works, and assign property (rights). <p>Price of transaction is RUR 1,700,000,000.</p>	<p>Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited.</p>
	<p>Service agreement on provision of access to system of legally significant electronic work-flow between MegaFon OJSC and PETER-SERVICE CJSC No. 1/13. Parties: MegaFon OJSC ('Contractor') and PETER-SERVICE CJSC ('Customer'). Price of transaction is RUR 360,000.</p>	<p>Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited.</p>
	<p>Agreement on Emergency and Recovery works at telecommunication facilities between MegaFon OJSC ('Contractor') and Synterra CJSC ('Customer') No. ABP/MΦ/HCT-2013. Parties: MegaFon OJSC and Synterra CJSC. Price of transaction is RUR 233,030,880.</p>	<p>Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited.</p>

Related party transactions that were closed by Megafon OJSC in 2013

(continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 192 (256) dated 14.05.2013 (continued)	Lease agreement between MegaFon OJSC and Metrocom CJSC No. 01-MK/2013. Parties: MegaFon OJSC ('Lessor') and Metrocom CJSC ('Lessee'). Price of transaction is RUR 8,948.	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited.
	Lease agreement between MegaFon OJSC and Regional Navigation and Information Center of Vladimir Region OJSC No. 1-PHИЦ/2013. Parties: MegaFon OJSC ('Lessor') and Regional Navigation and Information Center of Vladimir Region OJSC ('Lessee'). Price of transaction is RUR 3,180,800.	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited.
	Sublease agreement between MegaFon OJSC and Regional Information and Space Services Center OJSC No. CA-01/XK. Parties: MegaFon OJSC ('Sublessor') and Regional Information and Space Services Center OJSC ('Sublessee'). Price of transaction is RUR 425,040.	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited.
	Sublease agreement between MegaFon OJSC and Regional Navigation and Information Center of Jewish Autonomous Region OJSC No. CA-01/EAO. Parties: MegaFon OJSC ('Sublessor') and Regional Navigation and Information Center of Jewish Autonomous Region OJSC ('Sublessee'). Price of transaction is RUR 420,000.	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited.
	Sublease agreement between MegaFon OJSC and Regional Navigation and Information Center of Kurgan Region OJSC No. 2. Parties: MegaFon OJSC ('Sublessor') and Regional Navigation and Information Center of Kurgan Region OJSC ('Sublessee'). Price of transaction is RUR 584,640.	Telecominvest LLC, AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited.
Board meeting No. 195 (259) dated 29.07.2013	Settlement Agreement in relation to the Share Purchase Agreement for 100% shares of Synterra CJSC as well as other agreements, transactions and documents related thereto: <ul style="list-style-type: none"> • MegaFon OJSC shall make payment (assign property, obligations) in the amount of up to US\$ 87,000,000 in favour of Synterra Cyprus Limited, as a result of which all the differences, current obligations and potential claims of the parties under the Share Purchase Agreement in relation of 100% shares of Synterra CJSC signed between MegaFon OJSC, Synterra Cyprus Limited and Burnham Advisors Limited on 1 June 2010 shall be deemed completely settled and terminated; • MegaFon OJSC shall transfer to Synterra Cyprus Limited the ownership title for 100% of ordinary shares of Absolut CC CJSC that constitute 100% of total number of issued and outstanding shares of Absolut CC CJSC, which is the owner of the office building with total floor area of 6,512.50 square metres located at: 30 Kadashevskaya Emb., Russia, Moscow, while Synterra Cyprus Limited shall undertake to accept the above shares and pay for them no less than RUR 2,300,000,000; • Synterra CJSC shall transfer to MegaFon OJSC the ownership title for 18,000 ordinary registered shares of Synterra Media CJSC that constitute 60% of total number of issued and outstanding shares of Synterra Media CJSC, while MegaFon OJSC shall undertake to accept the above shares and pay for them up to RUR 166,000,000; 	AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 195 (259) dated 29.07.2013 (continued)	<ul style="list-style-type: none"> MegaFon OJSC shall transfer to Synterra Cyprus Limited the ownership title for 18,000 ordinary registered shares of Synterra Media CJSC that constitute 60% of total number of issued and outstanding shares of Synterra Media CJSC, while Synterra Cyprus Limited shall undertake to accept the above shares and pay for them not less than RUR 164,000,000. Price of transaction is up to US\$ 172,000,000. 	
	Interrelated Lease Agreements between MegaFon OJSC and Construction Company Absolut CJSC No. 01/02-A, No. 01-2012/ K.Parties: MegaFon OJSC ('Lessor') and Construction Company Absolut CJSC ('Lessee'). Price of transaction is US\$ 28,294,990.	AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Agreement on Provision of Resources between MegaFon OJSC and Synterra Media CJSC. Parties: Agreement on Provision of Resources between MegaFon OJSC ('Contractor') and Synterra Media CJSC ('Customer'). Price of transaction is RUR 30,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, Sonera Holding B.V., MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
Board meeting No. 196 (260) dated 07.08.2013	Master Agreement between MegaFon OJSC and Regional Navigation and Information Center OJSC No. 1. Parties: MegaFon OJSC and Regional Navigation and Information Center OJSC. MegaFon OJSC shall provide Regional Navigation and Information Center OJSC with services of communication channels, colocation of equipment as well as other services, works, and assign property (rights). Regional Navigation and Information Center OJSC shall provide MegaFon OJSC with services of equipment operation and maintenance as well as other services, works, and assign property (rights). Price of transaction is RUR 27,500,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Master Agreement between MegaFon OJSC and Regional Navigation and Information Center of Jewish Autonomous Region OJSC No. 1. Parties: MegaFon OJSC and Regional Navigation and Information Center of Jewish Autonomous Region OJSC. Price of transaction is RUR 27,500,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Advertising services agreement between MegaFon OJSC ('Customer') and the Kommersant publishing house CJSC ('Contractor') No. 119/K. Parties: MegaFon OJSC ('Customer') and the Kommersant publishing house CJSC ('Contractor'). Price of transaction is RUR 181,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Tavrin I.V., Streshinsky V.Y.
	Advertising services agreement between MegaFon OJSC and VKontakte LLC No. TARG-AA/257. Parties: MegaFon OJSC ('Customer') and VKontakte LLC ('Contractor'). Price of transaction is RUR 89,995,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 196 (260) dated 07.08.2013 (continued)	Advertising services agreement between MegaFon OJSC, Aegis Media CS LLC and Mail.ru LLC No. SLS/09-403 dated 01.08.2009. Parties: MegaFon OJSC ('Customer's client'), Aegis Media CS LLC ('Customer') and Mail.ru LLC ('Contractor'). Price of transaction is RUR 270,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Fiber Optic Communication Line purchase agreement between MegaFon OJSC and Synterra South LLC No. Sy-PO-01/13. Parties: MegaFon OJSC ('Purchaser') and Synterra South LLC ('Seller'). Price of transaction is RUR 23,306,500.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Agreement on FOCL operation and maintenance between MegaFon OJSC and Synterra South LLC No. 62/11-BOK. Parties: MegaFon OJSC ('Customer') and Synterra South LLC ('Contractor'). Price of transaction is RUR 1,580,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Network Services Agreement between MegaFon OJSC and Synterra South LLC No. 0111/11-O. Parties: MegaFon OJSC and Synterra South LLC. Price of transaction is RUR 122,970,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Lease agreement between MegaFon OJSC and Synterra-South LLC No. 59/12. Parties: MegaFon OJSC ('Lessee') and Synterra-South LLC ('Lessor'). Price of transaction is RUR 978,270.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Lease agreement between MegaFon OJSC and Synterra-Tattelecom LLC No. CT-1-2011 dated 01.05.2013. Parties: MegaFon OJSC ('Lessor') and Synterra-Tattelecom LLC ('Lessee'). Price of transaction is RUR 1,782,140.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED.
	Interrelated lease and sublease agreements between MegaFon OJSC and MegaFon Retail OJSC No. 01-MOP/2013, No. 02-MOP/2013. Parties: MegaFon OJSC and MegaFon Retail OJSC. Price of transaction is RUR 123,299,680.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED.
Board meeting No. 200 (264) dated 12.11.2013	Revolver loan agreement No. 1014 between MegaFon OJSC and Yota LLC. Parties: MegaFon OJSC ('Lender') and Yota LLC ('Borrower'). Loan amount: RUR 300,000,000. Loan tenor: up to three years. Interest rate: up to 8% per annum. Price of transaction is RUR 372,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.
	Revolver Loan Agreement No.1001 between MegaFon OJSC and NetByNet Holding LLC No. 1001 dated 12.07.2011. Parties: MegaFon OJSC ('Lender') and NetByNet Holding LLC ('Borrower'). Loan amount: increase of the principal amount by RUR 800,000,000 (from RUR 1,300,000,000 up to RUR 2,100,000,000). Loan tenor: increase of the Maturity date by three years (from 12.07.2014 up to 19.07.2017 inclusive). Price of transaction is RUR 3,108,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 200 (264) dated 12.11.2013 (continued)	<p>Interrelated surety agreements Nos. 001/0770Z/13, No. 001/1973Z/13 as security for performance of obligations by subsidiaries of MegaFon OJSC to the benefit of UniCredit Bank CJSC under loan agreement No. 001/0304L/13 dated 25.04.2013 and agreement on special terms of facility for trade finance transactions as amended and appended by agreement No. 001/0661L/12 dated 28.08.2012 between MegaFon OJSC and UniCredit Bank CJSC Parties: MegaFon OJSC ('Surety'), UniCredit Bank CJSC ('Lender') subsidiaries of MegaFon ('Beneficiaries').</p> <p>The term of surety agreements:</p> <ul style="list-style-type: none"> • under agreement No. 001/0304L/13 dated 25.04.2013 – 30 months since the date of the surety agreement; • under agreement No. 001/0661L/12 dated 28.08.2012 – within the period that ends one year after the validity period of the guaranteed agreement is over. <p>Price of transaction is US\$ 51,000,000.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited, Vermishyan G.V.
	<p>Interrelated surety agreements for performance of obligations by Scartel LLC to the benefit of Raiffeisenbank CJSC under Letter of Credit agreements Nos. RBA/12332-spb, RBA/11996-spb. Parties: MegaFon OJSC ('Surety'), Raiffeisenbank CJSC ('Lender') and Scartel LLC ('Beneficiary'). Tenor of surety agreements: until expiration of one year from the maturity date of obligations secured by the surety agreements. Price of transaction is US\$ 36,000,000.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.
	<p>Interrelated surety agreements (Multilateral Agreement) between MegaFon OJSC ('Surety'), CB CITIBANK CJSC ('Lender') and subsidiaries of MegaFon OJSC ('Debtors'). Parties: MegaFon OJSC ('Surety'), CB CITIBANK CJSC ('Lender') and subsidiaries of MegaFon OJSC ('Debtors'). The surety agreements shall be in effect until complete performance of obligations under interrelated cash pooling agreements. Price of transaction is RUR 745,000,000.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	<p>Interrelated Agreements (Multilateral Agreement) on cash pooling between MegaFon OJSC, CITIBANK CJSC CB, CITIBANK N.A. DUBLIN and MegaFon's Subsidiaries. Parties: MegaFon OJSC, CITIBANK CJSC CB, CITIBANK N.A. DUBLIN and MegaFon's Subsidiaries. Price of transaction is US\$ 117,100.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	<p>Frame Agreement No.1 between MegaFon OJSC and Regional Navigation and Information Center of Vladimir Region OJSC. Parties: MegaFon OJSC and Regional Navigation and Information Center of Vladimir Region OJSC. MegaFon OJSC shall undertake to provide to Regional Navigation and Information Center of Vladimir Region OJSC services on supply of equipment, communication services as well as other services, perform works, transfer property (rights). Regional Navigation and Information Center of Vladimir Region OJSC shall undertake to provide to MegaFon OJSC services on operation and maintenance of equipment as well as other services, perform works, transfer property (rights). Price of transaction is RUR 49,463,120.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, NFIMAKO LIMITED, Future Media Limited.

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
<p>Board meeting No. 200 (264) dated 12.11.2013 (continued)</p>	<p>Frame Agreement No.1 between MegaFon OJSC and OSTELECOM CJSC. Parties: MegaFon OJSC and OSTELECOM CJSC. MegaFon OJSC shall undertake to provide services, perform works, transfer property (rights) to OSTELECOM CJSC as follows:</p> <ul style="list-style-type: none"> • interconnection of telecom networks and transit of voice traffic; • provision of technical resources for use; • provision of communication channels as well as other services, perform works, transfer property (rights). <p>OSTELECOM CJSC shall undertake to provide services, perform works, transfer property (rights) to MegaFon OJSC as follows:</p> <ul style="list-style-type: none"> • interconnection of telecom networks and transit of voice traffic; • international roaming; • provision of communication channels as well as other services, perform works, transfer property (rights). <p>Price of transaction is RUR 1,459,000,000.</p> <hr/> <p>Information, Consultancy and Advertising Services Agreement between MegaFon OJSC ('Customer') and Headhunter LLC ('Contractor') Parties: MegaFon OJSC ('Customer') and Headhunter LLC ('Contractor'). Price of transaction is RUR 1,000,000.</p> <hr/> <p>Service Agreement on publication of announcements between MegaFon OJSC ('Customer') and KOMMERSANT KARTOTEKA LLC ('Contractor'). Parties: MegaFon OJSC ('Customer') and KOMMERSANT KARTOTEKA LLC ('Contractor'). Price of transaction is RUR 2,023,000,000.</p>	<p>AF Telecom Holding LLC, Telecominvest Holdings Limited, ANFIMAKO LIMITED, Future Media Limited, Vermishyan G.V.</p> <hr/> <p>AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.</p> <hr/> <p>AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.</p>
<p>Board meeting No. 203 (267) dated 24.12.2013</p>	<p>Revolver loan agreement between MegaFon OJSC and NetByNet Holding LLC No. 1001 dated 12.07.2011. Parties: MegaFon OJSC ('Lender') and NetByNet Holding LLC ('Borrower'). Loan amount: RUR 2,902,000,000 . Loan tenor: six years (until 19.07.2017 inclusive). Interest rate: up to 8% per annum. Purpose: Purchase of GK Gorkom, cash management. Price of transaction is RUR 4,294,960,000.</p> <hr/> <p>Revolver loan agreement between MegaFon OJSC and MultiMedia IP LLC No. 1010 dated 08.10.2012 for the purposes of cash management. Parties: MegaFon OJSC ('Borrower') and MultiMedia IP LLC ('Lender'). Loan amount: RUR 80,000,000. Loan tenor: extend maturity dated by two years (from 11.10.2014 till 11.10.2016 inclusive). Interest rate: up to 8% per annum. Price of transaction is RUR 105,600,000.</p>	<p>AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.</p> <hr/> <p>AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.</p>

Related party transactions that were closed by Megafon OJSC in 2013

(continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 203 (267) dated 24.12.2013 (continued)	Revolver loan agreement between MegaFon OJSC and Media Technologies Center LLC No. 1008 dated 08.10.2012 for the purposes of cash management. Parties: MegaFon OJSC ('Borrower') и Media Technologies Center LLC ('Lender'). Loan amount: RUR 400,000,000. Loan tenor: extend maturity date by two years (from 11.10.2014 till 11.10.2016 inclusive). Interest rate: up to 8% per annum. Price of transaction is RUR 528,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.
	Revolver loan agreement between MegaFon OJSC and Nakhodka Telecom LLC No. 1012 dated 12.11.2012 for the purposes of cash management. Parties: MegaFon OJSC ('Borrower') and Nakhodka Telecom LLC ('Lender'). Loan amount: RUR 120,000,000. Loan tenor: extend maturity date by two years (from 27.11.2014 till 27.11.2016 inclusive). Interest rate: up to 8% per annum. Price of transaction RUR is 158,400,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, ANFIMAKO LIMITED, Future Media Limited.
	Revolver loan agreement between MegaFon OJSC and Debton Investments Limited No. 1003 dated 25.10.2011. Parties: MegaFon OJSC ('Lender') and Debton Investments Limited ('Borrower'). Loan amount: RUR 200,000,000. Loan tenor: three years (till 27.10.2014 inclusive). Interest rate: up to 8% per annum. Purpose: acquisition of Nakhodka Telecom LLC. Price of transaction is RUR 296,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Revolver loan agreement between MegaFon OJSC and MegaLabs CJSC No. 200 dated 23.05.2011. Parties: MegaFon OJSC ('Borrower') and MegaLabs CJSC ('Lender'). Loan amount: RUR 900,000,000. Loan tenor: three years (till 23.05.2014 inclusive). Interest rate: up to 8% per annum. Price of transaction is RUR 1,332,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Interrelated agreements (multilateral agreement) of guarantee from MegaFon OJSC for performance by subsidiaries of MegaFon OJSC of their obligations to banks and partner-companies. Parties: MegaFon OJSC ('Guarantor') for performance by subsidiaries of MegaFon OJSC ('Debtors'), banks and partner-companies. Price of transaction is RUR 3,000,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Agreement on interconnection of telephone networks and international voice traffic transit between MegaFon OJSC and TEO LT, AB, AB No. MGF/TEO-2014. Parties: MegaFon OJSC and TEO LT, AB. Price of transaction is US\$ 2,400,000.	Sonera Holding B.V.

Related party transactions that were closed by Megafon OJSC in 2013

(continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 203 (267) dated 24.12.2013 (continued)	Agreement on use of trademarks between MegaFon OJSC and NetByNet Holding LLC No. 1/2014 for the purpose of products sales and service provision through the effort of NetByNet Holding LLC under MegaFon brand. Parties: MegaFon OJSC ('Licensor') and NetByNet Holding LLC ('Licensee'). Price of transaction is RUR 3,735,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Agreement on non-exclusive rights of software use and technical support between MegaFon OJSC and PETER-SERVICE CJSC No. 800. Parties: MegaFon OJSC ('Customer') and PETER-SERVICE CJSC ('Contractor'). Price of transaction is RUR 1,000,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Service agreement on processing and delivery of documentation between MegaFon OJSC and Post-Telecom LLC dated 01.04.2009. Parties: MegaFon OJSC ('Customer') and Post-Telecom LLC ('Contractor'). Price of transaction is RUR 163,000,000.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Frame Agreement between MegaFon OJSC and NetByNet Holding LLC No. 1. Parties: MegaFon OJSC and NetByNet Holding. MegaFon OJSC provides to NetByNet Holding LLC the following services, transfer property (rights): <ul style="list-style-type: none"> • full range of agency services related to acquisition and care of customers of NetByNet Holding LLC; • assigning of digital identifier to customer's services; • interconnection of telephone networks and traffic transit; • interconnection of data networks and traffic transit; • provision of telecom channels for use; • sale/purchase of optical fibers; • long distance national/international telephone communication; • supply of equipment; • transfer of rights under accounts receivable of MegaFon's subscribers; • support of software; • lease of property, as well as provides other services, performs work, transfers property (rights). NetByNet Holding LLC provides to MegaFon OJSC the following services, transfer property (rights), perform work: <ul style="list-style-type: none"> • full range of agency services related to acquisition and care of customers of MegaFon OJSC; • interconnection and traffic transit; • support of software; • lease of property, • sale/purchase of optical fibers; • operation and maintenance of facilities for Universal Communication Services; • collection of accounts receivable from MegaFon's subscribers; • emergency recovery work for equipment of facilities for Universal Communication Services, as well as provides other services, performs work, transfers property (rights). Price of transaction is RUR 977,848,120 .	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.

Related party transactions that were closed by Megafon OJSC in 2013 (continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 200 (264) dated 12.11.2013 (continued)	<p>Interrelated transactions in the course of integration of MegaFon's fixed broadband assets into NetByNet Holding LLC. Parties: MegaFon OJSC and NetByNet Holding LLC.</p> <p>In the course of integration of fixed broadband assets MegaFon OJSC plans:</p> <ul style="list-style-type: none"> Contribute fixed broadband assets as contribution in property of NetByNet Holding LLC. Execute Frame Agreement No. 2, under which: <p>MegaFon OJSC plans to provide to NetByNet Holding LLC the following services, perform work, transfer property (rights):</p> <ul style="list-style-type: none"> lease of telecom equipment; supply of telecom equipment; technical support of telecom equipment; use of billing system; transfer of rights under accounts receivable of MegaFon's subscribers; services of Call-center; interconnection and traffic transit; provision of telecom channels and virtual telecom channels, <p>as well as provide other services, perform work, transfer property (rights). Price of transaction is RUR 7,195,236,510.</p> <p>As of 31 December 2013 the total amount of the effected transaction is RUR 266,363,333.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	<p>Interrelated Lease and Sublease Agreements between MegaFon OJSC and MegaLabs CJSC No. 01-МЛ/2013, No. 02-МЛ/2013. Parties: MegaFon OJSC and MegaLabs CJSC. Price of transaction is RUR 751,471,630.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	<p>Interrelated Lease and Sublease Agreements between MegaFon OJSC and MegaFon Retail OJSC No. 01-МФР/2013, No. 02-МФР/2013. Parties: MegaFon OJSC and MegaFon Retail OJSC. Price of transaction is RUR 131,521,310.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	<p>Lease Agreement between MegaFon OJSC and Mikhailovsky GOK OJSC No. 131440. Parties: MegaFon OJSC ('Lessee') and Mikhailovsky GOK OJSC ('Lessor'). Price of transaction is RUR 1,422,000.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	<p>Sublease Agreement between MegaFon OJSC and NetByNet Holding LLC № A13-0959-A-14585. Parties: MegaFon OJSC ('Sublessee') and NetByNet Holding LLC ('Sublessor'). Price of transaction is RUR 101,700.</p>	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.

Related party transactions that were closed by Megafon OJSC in 2013

(continued)

Governance body that approved transaction	Material terms of transaction	Related parties
Board meeting No. 200 (264) dated 12.11.2013 (continued)	Sublease agreement between MegaFon OJSC and Mail.Ru LLC No. A13-2620-A-14264. Parties: MegaFon OJSC ("Sublessee") and Mail.Ru LLC ("Sublessor"). Price of transaction is RUR 610,170.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.
	Lease agreement between MegaFon OJSC and Ural Steel OJSC No. YC-01/14. Parties: Lease agreement between MegaFon OJSC ("Lessee") and Ural Steel OJSC ("Lessor"). Price of transaction is RUR 228,030.	AF Telecom Holding LLC, Telecominvest Holdings Limited, MegaFon Investments (Cyprus) Limited, Sonera Holding B.V., ANFIMAKO LIMITED, Future Media Limited.

Compliance with the Code of Corporate Conduct

No.	Corporate governance code provision	Compliance	Comments
1.	Shareholders shall be informed of the General Shareholders Meeting at least 30 days before the Date of the General Shareholders Meeting, irrespective of issues on its agenda unless the Law provides for a longer period.	Partly in effect	<p>The Company has the established practice to forward the notice on convocation of the General Meeting of Shareholders not later than 20 days before holding of such meeting. Notice on convocation of the General Meeting of Shareholders with the agenda containing the issue on the Company's reorganisation shall be forwarded no later than 30 days before holding such meeting, unless other deadline is provided by the Law (hereinafter 'The Law').</p> <p>The notice of Annual General Shareholders Meeting shall be provided no later than 30 days prior to the Meeting (item 12.7 of the Charter of the Company).</p>
2.	Shareholders shall be able to study the list of persons entitled to participate in the General Shareholders Meeting starting from the date of the Notice on holding the General Shareholders Meeting till closing the General Shareholders Meeting that is held in joint presence, or till the deadline for submitting of the voting ballots if the General Shareholders Meeting is held in the form of absentee voting.	In effect	The Company has established the practice to provide the list for review upon the demand of a person included in the list of persons authorised to participate in the General Shareholders Meeting and vested with not less than one per cent of votes.
3.	Shareholders shall be able to study the information (materials) that must be provided during preparation for the General Shareholders Meeting by means of electronic communication, including the internet.	In effect	The Company has established the practice of sending information (materials) that must be provided during preparation for the General Shareholders Meeting via email to shareholders that have given their email information to the Company or the Registrar prior to the General Shareholders Meeting. Materials shall be also published on the official website of the Company.
4.	Shareholder shall be able to include an item in the agenda of the General Shareholders Meeting or demand convocation of General Shareholders Meeting without submitting an extract from the Shareholders Register if his/her rights for the shares are recorded in the Shareholders Register system. When the shareholder's rights for the shares are recorded in a depository account, a statement from such depository account shall be sufficient for execution of the above rights.	In effect	Article 13.3 of the Charter: a proposal to include an item on the agenda. Proposals for inclusion of matters into the agenda and proposals of candidates for management bodies and other bodies of the Company can be submitted and demands for convocation of an Extraordinary Meeting of Shareholders can be provided by mail to the address (place) of the Company or by presenting them to the Registered Office or another department of the Company authorised to accept written correspondence addressed to the Company.
5.	The Charter or other internal corporate documents of the joint-stock Company shall include a provision for the mandatory presence of the Chief Executive Officer, members of the Management Board, members of the Board of Directors, members of the Revision Commission, and the Auditor of the joint-stock Company at the General Shareholders Meeting.	Not in effect	The specified persons are usually present at the General Shareholders Meetings of the Company. However, there are no provisions in the Charter or other internal corporate documents that ensure their mandatory presence at the General Shareholder Meetings.

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
6.	Candidates for election must be present at the General Shareholders Meeting during consideration of issues related to the election of members of the Board of Directors, the Chief Executive Officer, members of the Management Board, members of the Revision Commission, and approval of the Auditor of the joint-stock Company.	Not in effect	The specified persons are invited to the Company's General Shareholders Meeting that elects the Board of Directors, Chief Executive Officer, members of the Management Board, and members of the Revision Commission.
7.	Procedure for registration of General Shareholders Meeting participants shall be included in internal corporate documents of the joint-stock Company.	In effect	Item 6.7 of the Regulations on the General Shareholders Meeting regulates the registration procedure of the participants of the General Shareholders Meeting.
8.	The Board of Directors shall be authorised by the Charter to approve annually the joint-stock Company's business plan.	In effect	Item 2, Article 15.2 of the Charter authorises the Board of Directors to approve the budget as well as significant modifications and/or amendments thereto that are in its competence.
9.	The joint-stock Company shall have a risk management procedure approved by the Board of Directors.	Applied in practice	The Company has established and is operating a Risk Management Function.
10.	The joint-stock Company's Charter shall provide for the right of the Board of Directors to suspend the powers of the Chief Executive Officer appointed by the General Shareholders Meeting.	Not in effect	
11.	The Charter should provide for the right of the Board of Directors in the joint-stock Company to establish requirements for qualification and level of remuneration for the joint-stock Company's Chief Executive Officer, members of the Management Board, and heads of main structural units.	Partly in effect	<p>Partly in effect in relation to the level of remuneration of the Chief Executive Officer.</p> <p>Item 8, Article 15.2 of the Charter authorises the Board of Directors to establish a level of remuneration and compensations to be paid to the Chief Executive Officer of the Company, and approve the terms of contract with the Chief Executive Officer of the Company.</p>
12.	The Charter should provide for the right of the Board of Directors to approve Terms and Conditions of the Contract with the Chief Executive Officer and members of the Management Board.	In effect	<p>Item 7, Article 15.2 of the Company's Charter provides for the right of the Board of Directors to approve the terms of the Contract with the Chief Executive Officer.</p> <p>According to Article 18.3 of the Company's Charter, the composition of the Management Board, meetings, voting procedures, powers and rights of the Management Board members and other issues related to the Management Board's activity are defined by the Regulations for the Management Board, which are approved by the Company's General Shareholders Meeting.</p> <p>According to Article 8.1 of the Regulations for the Management Board, the Management Board members while performing their official duties receive remuneration and/or compensations for expenses incurred in the discharge of their functions as Members of the Management Board upon the Board of Directors' resolution.</p>

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
13.	The joint-stock Company's Charter or internal corporate documents shall include a provision that the votes of the Board members, who are Chief Executive Officer and Management Board members, shall not be counted for approval of Terms and Conditions of contracts with the Chief Executive Officer (Managing authority, Director General) and Management Board members.	Not in effect	
14.	There shall be a minimum of three independent Directors who meet the requirements of the Corporate Code on the Board of the joint-stock Company.	Not in effect	The Company's Board of Directors has two independent Directors in its current composition.
15.	The joint-stock Company's Board of Directors shall not include persons who were found guilty of committing crimes in the sphere of business or crimes against the state, interests of government and local authorities, or who were subjected to civil penalty for offences in the sphere of business or in the field of finance, taxes and charges, or the stock market.	In effect	
16.	The joint-stock Company's Board of Directors shall not include the Chief Executive Officer, persons who are members of the governing body or are employees of a legal entity that is in competition with the joint-stock Company.	In effect	
17.	The joint-stock Company's Charter shall have a requirement regarding election of the Board of Directors by cumulative voting.	In effect	Article 15.7 of the Charter: 'Election of the Board of Directors shall be made by General Shareholders Meeting with cumulative voting'.
18.	Internal documents of the joint-stock Company must include the duty of the Board of Directors to abstain from actions that will or may result in conflict between their interests and the interests of the joint-stock Company, and if such conflict arises, the duty to disclose information of such conflict to the Board of Directors.	In effect	<p>Article 6.6 of the Regulations for the Board of Directors sets forth the following responsibilities of the Board Directors:</p> <p>For the purpose of avoiding conflict of interests when taking decisions of the Board of Directors the members of the Board shall be obliged to disclose in full and in due time the following:</p> <ol style="list-style-type: none"> 1. minimum once in a quarter the information on the legal entities where the member of the Board of Directors separately or jointly with its affiliated person (persons) owns 20 or more per cent of the voting shares (participatory interests) and/or has the position in the management bodies; 2. information on having vested interest in the transactions of the Company that the member of the Board is or must be aware of; 3. information on securities owned by the Company as well as the Company's securities disposal and/or purchase; 4. information on the intention to buy participatory interest/shares in the Charter capital of legal entities competing with the Company or to be elected into the management bodies of legal entities competing with the Company.

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
19.	The joint-stock Company's internal documents shall include the duty of the Board Members to notify the Board in writing of any intention to make transactions with securities of the joint-stock Company where they are the Board Members, or of its subsidiaries/affiliates, as well as the duty to disclose information on the transactions with such securities that have been carried out by them.	Not in effect	<p>In practice: The Board Members disclose information on related parties and related party transactions for the purposes of the Audit Opinion preparation.</p> <p>Article 4 of the Regulation on the procedure for access to OJSC MegaFon's insider information, states the rules for protection of confidentiality of such information, and control of compliance with statutory requirements for counteracting the unlawful use of insider information and market manipulation. Members of the governing bodies of the Company shall disclose information on the following: holding securities of the Company or its subsidiaries and/or the sale and/or purchase of securities of the Company or its subsidiary. Such disclosure shall be made in the form of a reasonable notice given to the Company Secretary (with a copy to the Controller). Also the requirement on subsequent provision of information by the members of the governing bodies of the Company on transactions involving securities of the Company is defined in the Share Trading Policy of MegaFon OJSC.</p>
20.	The joint-stock Company's internal documents shall include the requirement to hold meetings of the Board of Directors at least once every six weeks.	Applied in practice	Article 5.2 of the Regulations for the Board of Directors: Meetings of the Board of Directors shall be held on a regular basis in accordance with the operations plan approved by the Board of Directors.
21.	Board Meetings of the joint-stock Company shall be held at least once every six weeks during the year, for which the annual report is prepared.	In effect	
22.	The joint-stock Company's internal documents shall include the procedures for holding Board Meetings.	In effect	Article 5 of the Regulations for the Board of Directors provides guidance on the procedures for holding the Board Meetings.
23.	The joint-stock Company's internal documents shall include the article that the Board of Directors shall approve the Company's transactions for any amount exceeding 10% of the Company's total asset value except for the transactions made in the ordinary course of business.	In effect	Article 16, item 15.2 of the Charter specifies the matters that fall within the competence of the Company's Board of Directors: approval of transactions or groups of interrelated transactions, connected with the Company's acquisition, alienation or possibility of alienation, directly or indirectly, of property (including property rights), where the value of such property (including the aggregate value of property being the subject of the interrelated transactions) or the value of liabilities to be assumed by the Company upon making such transaction (groups of transactions) exceeds US\$ 50,000,000.

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
24.	The joint-stock Company's internal documents shall include the right of the Board Members to receive information required for performance of their duties from the executive bodies and heads of the main structural units of the joint-stock Company, and include responsibility for non-provision of such information.	Partly in effect	Partly in effect as far as provision of information is concerned Article 6.1.1 of the Regulations for the Board of Directors: 'The Board Member shall be entitled to demand from the Director General and other officials of the Company to provide information (materials) and clarifications on the issues of the Company performance, in case the above information is necessary for taking decisions by the Board of Directors.'
25.	The joint-stock Company's Board of Directors shall have a Strategic Planning Committee or delegate its functions to another committee (except for Audit Committee and Personnel and Remuneration Committee).	In effect	The Financial and Strategy Committee of the Company's Board of Directors has been established.
26.	The joint-stock Company's Board of Directors shall have a committee (Audit Committee) that recommends an Auditor of the joint-stock Company to the Board of Directors and interacts with the Auditor and the Revision Commission of the joint-stock Company.	In effect	The Audit Committee of the Board of Directors has been established and operates in the Company.
27.	The Audit Committee shall include only independent and non-executive directors.	Partly in effect	All members of the current Audit Committee are non-executive, while two of them are independent.
28.	The Audit Committee shall be chaired by an independent Board Director.	In effect	
29.	The joint-stock Company's internal documents shall entitle all Audit Committee members to have access to any documents and information of the joint-stock Company provided that they do not disclose any confidential information.	Applied in practice	In practice: The Audit Committee members have full access to any documents and information of the Company.
30.	Establishment of a committee of the Board (Personnel and Remuneration Committee) that shall identify criteria for selecting candidates to the Board of Directors and prepare the remuneration policy of the joint-stock Company.	Partly in effect	Partly in effect as far as the Company's remuneration policy is concerned. The Company has established a Remuneration and HR Development Committee of the Board of Directors.
31.	Personnel and Remuneration Committee shall be chaired by an independent Board Director.	In effect	
32.	The Personnel and Remuneration Committee shall not include officers of the joint-stock Company.	In effect	The Board's Remuneration and HR Development Committee does not include officers of the Company.
33.	The joint-stock Company's Board of Directors shall have a Risk Management Committee or delegate its functions to another committee (except for the Audit Committee and Personnel and Remuneration Committee).	Not in effect	
34.	The joint-stock Company's Board of Directors shall have a Corporate Conflicts Settlement Committee or delegate its functions to another committee (except for the Audit Committee and Personnel and Remuneration Committee).	Not in effect	

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
35.	The Corporate Conflicts Settlement Committee shall not include officers of the joint-stock Company.	Not applicable	
36.	The Corporate Conflicts Settlement Committee shall be chaired by an independent Board Director.	Not applicable	
37.	The joint-stock Company shall have internal corporate documents approved by the Board of Directors that set forth the procedure for the establishment and functioning of the Board committees.	In effect	The Board of Directors has approved the Regulations that regulate activities of the Board committees.
38.	The joint-stock Company's Charter shall have a counting procedure for the Board of Directors' quorum that guarantees participation of independent directors at the Board meetings.	Partly in effect	Partly in effect as far as the issues requiring qualified majority are concerned.
39.	The joint-stock Company shall have a collegiate executive body (Management Board).	In effect	Article 18.3 of the Charter: 'The Management Board shall be the collegial executive body of the Company'.
40.	The Charter or internal documents of the joint-stock Company shall include the provision that sets forth the requirement for the Management Board to approve transactions with property and loans received by the joint-stock Company, if such transactions are not major transactions and they are not part of the everyday business activities of the joint-stock Company.	Not in effect	
41.	The joint-stock Company's internal documents shall include procedures for approval of transactions that are not part of the joint-stock Company's business plan.	In effect	Amendments to the approved budget of the Company shall be approved by a separate resolution of the Board of Directors.
42.	Executive bodies shall not include persons, who are participants, Chief Executive Officer (Director General), members of a governing body or employees of a legal entity that is in competition with the joint-stock Company.	In effect	
43.	Executive bodies of the joint-stock Company shall not include persons who were found guilty of committing crimes in the sphere of business or crimes against the state, interests of government and local authorities or who were subjected to civil penalty for offences in the sphere of business or in the field of finance, taxes and charges or the stock market. If the functions of a sole executive body are performed by a Managing Authority or by a Director General, the Chief Executive Officer and members of the Management Board of the Company or the Manager shall meet the criteria of the Chief Executive Officer and members of the management board of the joint-stock Company.	In effect	

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
44.	The joint-stock Company's Charter or internal documents shall provide that a Managing Authority (Director General) should not perform similar functions in a Company that is in competition with the joint-stock Company and should not have any other property relationship with the joint-stock Company apart from providing services of a Managing Authority (Director General).	Not applicable	The Chief Executive Officer is the Company's sole executive body.
45.	Internal documents of the joint-stock Company must include the duty of the executive bodies to abstain from actions that will or may result in conflict between their interests and the interests of the joint-stock Company, and if such conflict arises, the duty to disclose information on such conflict to the Board of Directors.	Partly in effect	All employees of the Company, including executive bodies shall abstain from such actions as per Section 4 of the Code of Ethics and Corporate Behavior.
46.	The joint-stock Company's Charter or internal documents must contain criteria for the selection of a Managing Authority (Director General).	Not applicable	The Chief Executive Officer performs the functions of the sole executive body of the Company.
47.	Executive bodies of the joint-stock Company must present monthly reports on their performance to the Board.	In effect	Report on the Company's performance is presented to the Board of Directors on monthly basis.
48.	Contracts between the joint-stock Company and its Chief Executive Officer (Managing Authority, Director General) and members of management board shall establish responsibility for violation of regulations on the use of confidential and insider information.	In effect	Contracts of the Company's top managers contain obligations not to disclose commercial secrets. According to item 19.3 of the Charter, all the Company's employees who have access to the Company's confidential information are obliged to keep confidentiality.
49.	The joint-stock Company must have a special officer (Company Secretary) who ensures that governing bodies and officers of the joint-stock Company comply with mandatory procedures securing and executing the rights and legal interests of the Company's shareholders.	In effect	The Company has approved Company Secretary Regulations.
50.	The Charter or internal documents of the joint-stock Company must include the procedures for appointing (electing) the Company Secretary and the duties of the Company Secretary.	In effect	Item 3.1 of the Company Secretary Regulations provides that 'The Company Secretary shall be elected by the decision taken by a simple majority of the Board of Directors of the Company. The Board of Directors shall determine the terms of engagement of the Company Secretary. Candidates for the position of the Company Secretary shall be nominated by the members of the Board of Directors and/or the CEO of the Company'.
51.	The Charter of the joint-stock Company must state the requirements for any candidate applying for the position of Company Secretary.	Applied in practice	Item 4.1 of the Company Secretary Regulations states that 'The Company Secretary shall have the expertise required to perform the assigned functions of the position and shall enjoy the trust of shareholders and members of the Board of Directors of the Company'.
52.	The joint-stock Company's Charter or internal documents shall have a requirement to approve a major transaction before closing it.	Applied in practice	In practice: The Company has a corporate practice of approval of major transactions prior to their execution.

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
53.	There shall be the mandatory engagement of an independent appraiser for valuation of market value of assets being the subject of a major transaction.	Not in effect	The Company's Charter and internal documents do not have a mandatory requirement to engage an independent appraiser.
54.	The joint-stock Company's Charter prohibits the taking of any actions during the acquisition of major shareholdings in the joint-stock Company that would be aimed at protecting the interests of the executive bodies (members of these bodies) and Board members of the joint-stock Company, as well as actions that would impair the shareholders' position versus the existing one (in particular, it prohibits the Board taking decisions to issue additional shares, to issue securities convertible to shares or securities giving the right to acquire the Company's shares that will be effective until the expected date of the shares acquisition, even if the Charter provides for the right of taking such a decision).	Not in effect	
55.	The joint-stock Company's Charter shall have a mandatory requirement to engage an independent appraiser for valuation of current market value of shares and potential changes in their market value after acquisition.	Applied in practice	
56.	The joint-stock Company's Charter shall not provide a waiver to a buyer from the obligation to propose that the shareholders sell the Company's common shares (issued securities convertible to common shares) owned by them during acquisition.	In effect	
57.	The joint-stock Company's Charter or internal documents shall have a mandatory requirement to engage an independent appraiser for determining share conversion ratio during reorganisation.	Applied in practice	
58.	The Board shall approve an internal document that defines rules and approaches of the joint-stock Company to disclosure of information (Information Disclosure Policy).	Not in effect	
59.	The joint-stock Company's internal documents shall have a requirement to disclose information about the purpose of share placements, about persons who plan to acquire the placed shares, including large shareholdings, as well as whether senior officers of the joint-stock Company have participated/intend to participate in the acquisition of the placed shares of the Company.	Not in effect	
60.	The joint-stock Company's internal documents shall have a list of information, documents and materials to be submitted to shareholders for taking decisions on the issues that are presented to the general shareholders meeting.	In effect	Items 4.3 – 4.7 of the Regulations for General Shareholder Meeting regulate the procedures for submitting information and materials to shareholders in the course of preparation of a General Shareholder Meeting.
61.	The joint-stock Company shall have a web-site on the internet and make regular disclosures of information about the joint-stock Company on that website.	In effect	

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
62.	The joint-stock Company's internal documents shall have a requirement to disclose information on transactions of the joint-stock Company with persons who are senior officers of the Company according to the Charter, as well as transactions of the joint-stock Company with organisations where the senior officers of the joint-stock Company have directly or indirectly an interest of more than 20% in the Charter capital or organisations where such persons may otherwise have significant influence.	In effect	Article 4 of the Regulation on the procedure for access to OJSC MegaFon's insider information, rules for protection of confidentiality of such information, and control of compliance with statutory requirements for counteracting the unlawful use of insider information and market manipulation, states that members of the governing bodies of the Company shall disclose information on holding securities of the Company or its subsidiaries and/or sale and/or purchase of securities of the Company or its subsidiary. Such disclosure shall be made in the form of a reasonable notice given to the Company Secretary of the Company (a copy – to the Controller).
63.	The joint-stock Company's internal documents shall have a requirement to disclose information on any transactions that may have an impact on the market value of the joint-stock Company's shares.	Not in effect	
64.	The Board shall approve any internal document that gives significant information on the joint-stock Company's performance, shares and other securities as well as transactions with them, which is not public and its disclosure may have significant impact on market value of the joint-stock Company's shares and other securities.	In effect	All significant information on the Company's performance is available to the Board members and shareholder representatives. Regulation on the procedure for access to OJSC MegaFon's insider information, rules for protection of confidentiality of such information, and control of compliance with statutory requirements for counteracting the unlawful use of insider information and market manipulation was approved by the Board of Directors of the Company No. 176 (240) dated 23.07.12.
65.	The joint-stock Company shall have internal control procedures for its finance and business that are approved by the Board.	In effect	
66.	The joint-stock Company shall have a special unit that provides for compliance with internal control procedures (Control and Revision service).	In effect	The Company has an active Internal Audit Department that is in charge of assessing compliance with internal control procedures.
67.	The joint-stock Company's internal documents shall contain a requirement that the structure and composition of the Control and Revision service must be defined by the Board of the joint-stock Company.	In effect	Item 3.2 of the Regulations for Internal Audit provides that the organisation structure and personnel of the Internal Audit function should be approved according to recommendations by the Audit Committee.
68.	The Control and Revision service must not include persons who were found guilty of committing crimes in the sphere of business or crimes against the state, interests of government and local authorities or who were subjected to civil penalty for offences in the sphere of business or in the field of finance, taxes and charges, or the stock market.	In effect	

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
69.	Control and Revision service shall not include any persons who are members of executive bodies of the joint-stock Company, as well as any persons who are participants, Chief Executive Officer (Director General), member of a governing body or employee of a legal entity that is in competition with the joint-stock Company.	In effect	
70.	The joint-stock Company's internal documents shall specify a deadline for submitting documents and materials to the Control and Revision service for review of financial and business transactions, besides they shall provide for responsibility of officers and employees of the joint-stock Company for such documents and materials not being submitted by the specified deadline.	Not in effect	
71.	The joint-stock Company's internal documents provide for the duty of the Control and Revision service to inform the Audit Committee of any violations discovered, or if there is no such committee, then they must inform the Board of the joint-stock Company.	In effect	Item 4.7 of the Regulations for Internal Audits provides that the Internal Audit Director shall regularly report on the Internal Audit activities to the Audit Committee. The form of the report and its timing shall be defined with the approval of the Audit Committee. The Internal Audit Director reports to the Audit Committee and the Chief Executive Officer on any identified events that create a threat to the security of OJSC 'MegaFon' and damage the interests of shareholders of OJSC 'MegaFon'.
72.	The joint-stock Company's Charter shall have a requirement that the feasibility of any transaction that is not included in the Company's business-plan (non-standard transactions) shall be initially (or in the first instance) assessed by the Control and Revision service.	Not in effect	
73.	The joint-stock Company's internal documents specify the procedure for getting approval from the Board for non-standard transactions.	In effect	Changes in the Company's approved budget are made by the Company's Board in a separate decision.
74.	The Board shall approve an internal document that specifies the procedures for the review of the Company's finance and business by the Revision Commission.	In effect	Procedures for reviews by the Revision Commission are governed by the Regulations for the Company's Revision Commission.
75.	The Audit Committee shall review the audit opinion prior to presenting it to the shareholders on the general shareholder meeting.	In effect	
76.	The Board shall approve an internal document that is followed by the Board when recommendations are given on dividend amounts (Dividend Policy).	In effect	Dividend policy was approved by the Board of Directors on 8 June 2012.

Compliance with the Code of Corporate Conduct (continued)

No.	Corporate governance code provision	Compliance	Comments
77.	Dividend Policy shall have a procedure for defining the minimum share of the Company's net profit to be used for dividend payment, as well as the conditions when a dividend is not paid or paid in part for preferred shares, if a dividend for them is defined in the Company's equity.	In effect	
78.	Information on the dividend policy of the joint-stock Company and any amendments made shall be disclosed in a periodical that is specified by the Company's Charter for publication of notices of general shareholder meetings. In addition the above information shall be posted on the corporate website on the internet.	In effect	
