

Related party transactions of PJSC MegaFon in 2015

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Extraordinary General Shareholders Meeting (Minutes dated 19.01.2015)	<p>Agreement on provision of non-exclusive rights on using software and technical support between PJSC MegaFon (Customer) and CJSC PETER-SERVICE (Contractor).</p> <p>Within the agreement, CJSC PETER-SERVICE shall provide to PJSC MegaFon non-exclusive rights on using software and technical support for the purpose of modernisation of billing architecture to the solution unified for subscribers of all branches and its constant development in accordance with the current business needs for ensuring high quality of services providing to the subscribers.</p> <p>Total price of property under the Agreement on provision of non-exclusive rights on using software and technical support between PJSC MegaFon and CJSC PETER-SERVICE shall not exceed RUB 22,000,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Extraordinary General Shareholders Meeting (Minutes dated 19.01.2015)	<p>Master Dealer Agreement between PJSC MegaFon and OJSC MegaFon Retail.</p> <p>Within the Master Dealer Agreement of OJSC MegaFon Retail shall provide full range of services to PJSC MegaFon related to acquisition and care MegaFon's customers, including, without limitation:</p> <ul style="list-style-type: none"> • conclusion of Communications Services Agreements, receipt and processing of subscribers' applications; • receipt of money funds for communication services, including payment cards; • conclusion of contracts of purchase and sale of transferred property of PJSC MegaFon; • organization of brand showrooms; • location of brand visualization elements at retailers places; • carrying out of marketing campaigns; • ensuring Internet store work. <p>PJSC MegaFon, including, without limitation, shall deliver to OJSC MegaFon Retail starting sets and fulfil its obligations on payment of compensation for prior rendered services on acquisition and care of customers.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Dealer Agreement shall not exceed RUB 44,000,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Extraordinary General Shareholders Meeting (Minutes dated 13.04.2015)	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and MegaFon Investments (Cyprus) Limited (Borrower).</p> <p>On 19 April 2012 PJSC MegaFon (Lender) and MegaFon Investments (Cyprus) Limited (Borrower) concluded the Revolving Loan Agreement №10, under the terms of which PJSC MegaFon provided a loan to the MegaFon Investments (Cyprus) Limited in the amount of RUB 64,895,160,000 for 3 (three) years at interest rate of 7,5% per annum (Loan Agreement).</p> <p>In 2015 the Parties amended the Loan Agreement in the following way:</p> <ul style="list-style-type: none"> • decreased the amount of the loan by RUB 54,895,160,000 (from RUB 64,895,160,000 to RUB 10,000,000,000); • increased loan term by 5 years (from 19.04.2015 until 19.04.2020 inclusive); • increased the interest rate by 1 % (from 7,5 % to 8,5 % per annum). 	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) the shareholder is a counterparty of the transaction; (2) affiliate of the shareholder shall be the party of a transaction; (3) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №160(224) dated 10.01.2012; № 223(287) dated 10.03.2015)</p>	<p>Master Agreement between PJSC MegaFon and OJSC Pskov Urban Telephone Network.</p> <p>In compliance with Master Agreement PJSC MegaFon shall provide the following services, perform works and transfer property (rights) to the OJSC Pskov Urban Telephone Network:</p> <ul style="list-style-type: none"> • connection of communication network and traffic transmission; • DLD, international and intra area connection; • communication channel provision; • rent of property, including optical fibers; • provision of direct cables; • technical support; • supply of equipment, starting sets, payment cards; • assigning of debts of PJSC MegaFon subscribers, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>OJSC Pskov Urban Telephone Network shall provide the following services, transfer property (rights) and perform works to PJSC MegaFon :</p> <ul style="list-style-type: none"> • connection of communication network and traffic transmission; • DLD, international and intra area connection; • communication channel provision; • rent of property, including optical fibers; • provision of direct cables; • conclusion of communications services agreements on behalf of PJSC MegaFon ; • servicing and consulting MegaFon’s customers; • sale of payment cards, equipment and starting sets under the agency agreement/ commission agreement; • performance of acceptance of money funds for communication services from the subscribers; • advertising and information services; • equipment layout, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 2,000,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №223(287) dated 10.03.2015)</p>	<p>Service Agreement between PJSC MegaFon and LLC Mail.Ru.</p> <p>Within this agreement PJSC MegaFon shall provide to LLC Mail.Ru the following services:</p> <ul style="list-style-type: none"> • services on provision of access to the Internet resources; • services on placement of equipment in DPC; • services on provision of virtual communication channels; • services on access to the content delivery network; • providing the rental virtual server to LLC Mail.Ru; • performance of technical support of such virtual server. <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Service Agreement shall not exceed RUB 452,202,090.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №223(287) dated 10.03.2015)	<p>Service Agreement between PJSC MegaFon and LLC Odnoklassniki.</p> <p>Within this agreement PJSC MegaFon shall render to LLC Odnoklassniki services on provision of access to the Internet resources and services on placement of equipment in DPC.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Service Agreement shall not exceed RUB 120,600,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №203(267) dated 24.12.2013; № 223(287) dated 10.03.2015)	<p>Service Agreement of processing and delivery of documentation between PJSC MegaFon and LLC Post-Telecom.</p> <p>Within this Agreement LLC Post-Telecom shall provide to PJSC MegaFon any services of processing and delivery of documentation to PJSC MegaFon subscribers and services of interaction with counterparties of PJSC MegaFon in terms of collection, processing and transfer of documents packages from counterparties to PJSC MegaFon.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Service Agreement of processing and delivery of documentation shall not exceed RUB 532,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №154(218) dated 29.09.2011; №223(287) dated 10.03.2015)	<p>Fiber Lease Agreement between PJSC MegaFon and CJSC TeliaSonera International Carrier Russia.</p> <p>Within this Agreement CJSC TeliaSonera International Carrier Russia shall lease out zone optic fibers to PJSC MegaFon.</p> <p>Lease term - until 31.05.2019.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Fiber Lease Agreement shall not exceed RUB 40,000,000.</p>	<p>SoneraHolding B.V.: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.</p>
Board of Directors (Minutes №223(287) dated 10.03.2015)	<p>Property Lease Agreement between PJSC MegaFon (Lessor) and Skartel LLC (Lessee).</p> <p>PJSC MegaFon shall provide for use to Skartel LLC any property required for rendering communication services including SORM equipment (complex of technical equipment and measures for performance of investigation activities in the networks of telephone, mobile, wireless communication) hardware-software complexes and other property.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Property Lease Agreement shall not exceed RUB 7,000,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of Management Board of PJSC MegaFon Likhodedov K.M.: (1) General Director of the counterparty of the transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №223(287) dated 10.03.2015; № 233(297) dated 25.12.2015)	<p>Interrelated Master Lease and Sublease Agreements between PJSC MegaFon (Lessor) and NetByNet Holding LLC (Lessee).</p> <p>Subject to the provisions of Regulation:</p> <ul style="list-style-type: none"> PJSC MegaFon shall provide to NetByNet Holding LLC for temporary use (lease/sublease) the non-residential premises owned or leased by PJSC MegaFon. NetByNet Holding LLC shall provide to PJSC MegaFon for temporary use (lease) the non-residential premises owned by NetByNet Holding LLC. Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with the agreement terms. <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 41,183,900.</p>	<ul style="list-style-type: none"> AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №206(270) dated 04.03.2014; № 223(287) dated 10.03.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and Lebedinsky GOK OJSC (Lessee).</p> <p>Lebedinskiy GOK OJSC shall provide to PJSC MegaFon for temporary use the non-residential premises owned by Lebedinsky GOK OJSC for placement communication equipment of PJSC MegaFon in the Belgorod Region.</p> <p>Lease payment for such premises shall be subject to annual adjustment due to changed market situation and in compliance with the agreement terms and shall include the cost of energy used.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 1,388,620.</p>	<ul style="list-style-type: none"> AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №224(288) dated 28.04.2015)	<p>Master Agreement between PJSC MegaFon and CJSC Express Telecom.</p> <p>PJSC MegaFon shall render to CJSC Express Telecom the following services and transfer rights:</p> <ul style="list-style-type: none"> connection of telecommunication networks at the local and zone levels and traffic transmission; assigning of debts of PJSC MegaFon subscribers, <p>as well as provide other services, perform works and transfer property, rights, duties.</p> <p>CJSC Express Telecom shall render to PJSC MegaFon the following services:</p> <ul style="list-style-type: none"> communication channel provision; connection of telecommunication networks at zone levels and traffic transmission; full range of agency services related to acquisition and care of MegaFon's customers; collection of accounts receivable from MegaFon's customers. <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 150,790,000.</p>	<ul style="list-style-type: none"> AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №228(292) dated 29.07.2015)	<p>MMS Interworking Agreement between PJSC MegaFon and Moldcell S.A.</p> <p>Within this Agreement Moldcell S.A. shall render to PJSC MegaFon any services on MMS Interworking Agreement in the territory of Republic of Moldova and PJSC MegaFon shall render to Moldcell S.A. subscribers the relevant services in the territory of Russian Federation.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under the Agreement shall not exceed US\$ 44,000</p>	<p>SoneraHolding B.V.: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.</p>
Board of Directors (Minutes №166(230) dated 18.04.2012; № 203(267) dated 24.12.2013; № 211(275) dated 14.05.2014; № 213(278) dated 30.07.2014; № 219(283) dated 23.12.2014; № 223(287) dated 10.03.2015; № 228(292) dated 29.07.2015)	<p>Master Agreement №1 between PJSC MegaFon and NetByNet Holding LLC.</p> <p>In accordance with the terms of the Master Agreement, PJSC MegaFon shall provide to NetByNet Holding LLC the following services and transfer the property (rights):</p> <ul style="list-style-type: none"> • full range of agency services related to acquisition and care of customers of NetByNet Holding LLC; • assignment of digital certificate to the customer services; • assignment of the right for accounts receivable of MegaFon's subscribers; • long distance/ international telephone communication; • ensuring roaming support; • connection of communication network and traffic transmission; • connection of data-communication networks and traffic transmission; • communication channel provision; • purchase and sale of property, including fiber optic communications networks; • provision of access from the customer device to the point of connection with the target equipment; • placement of communications networks to cable structures; • equipment layout; • property lease; • software support; • equipment delivery; • provision of opportunity of collaborative use of means of communication, including those, which act as contact systems, and other equipment, which is a part of means of communication, and provision of technical support, exploitation and maintenance of such equipment; • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication and provision other infrastructure for use; • ensuring of carrying out focused marketing initiatives; • issuance of qualified electronic signatures (QES)certificates; • ensuring of documents delivery (mailing). <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>NetByNet Holding LLC shall render to PJSC MegaFon the following services, transfer the property (rights) and perform works:</p> <ul style="list-style-type: none"> • full range of agency services related to with acquisition and servicing of subscribers of PJSC MegaFon; • collection of accounts receivables from subscribers of PJSC MegaFon; • connection of communication network and traffic transmission; • communication channel provision; • purchase and sale of property, including fiber optic communications networks; • equipment layout; • property lease; • software support; • project design and construction and installation works; • maintenance and operation of equipment, means of communication and Universal communication service objects; • performance of emergency repair works, including Universal communication service objects; • provision of access from the customer device to the point of connection with the target equipment; • placement of communications networks to cable structures; • services on organization and provision of maintenance of wireless WI-FI network; • services on organization of complete network surveillance system and a situation centre; <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 1,832,416,300.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №228(292) dated 29.07.2015)</p>	<p>Master Agreement №3 between PJSC MegaFon and OJSC MegaLabs.</p> <p>In accordance with the terms of the Master Agreement, PJSC MegaFon shall render to OJSC MegaLabs the following services, perform works and transfer property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication services; • connection of communication network and traffic transmission; • consultancy services; • implementation and maintenance of the SAP system; • placement and technical support of OJSC MegaLabs equipment; • transfer/ provision of the equipment, including, without limitation, any platforms and systems for disposition, usage and ownership; • transfer of rights and obligations under the agreements concluded by PJSC MegaFon with the third parties; • provision of right of use, alienation of exclusive right on any intellectual production, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>OJSC MegaLabs shall render to PJSC MegaFon the following services, perform works and transfer property/ rights/ obligations:</p> <ul style="list-style-type: none"> • transfer/ provision of the equipment, including, without limitation, any platforms and systems for disposition, usage and ownership; • transfer of rights and obligations under the agreements concluded by OJSC MegaLabs with the third parties; • provision of right of use, alienation of exclusive right on any intellectual production; • connection of communication network and traffic transmission; • placement and technical support of PJSC MegaFon; • full range of agency services <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 9,000,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №228(292) dated 29.07.2015)</p>	<p>Lease Agreement between PJSC MegaFon (Lessor) and MegaFon Finance LLC (Lessee).</p> <p>PJSC MegaFon shall provide to MegaFon Finance LLC for temporary use (lease) the non-residential premises owned by PJSC MegaFon, which located at the address: Saint Petersburg, 16th Line V.O., h.31, build. A.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 300,300.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №203(267) dated 24.12.2013; № 219(283) dated 23.12.2014; № 228(292) dated 29.07.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and Mikhaylovskiy GOK OJSC (Lessee).</p> <p>Mikhaylovskiy GOK OJSC shall provide to PJSC MegaFon for temporary use the non-residential premises owned by Mikhaylovskiy GOK OJSC for placement of a base station of the mobile communication in Zheleznogorsk.</p> <p>Lease payment for such premises shall be indexed annually in case of market condition change in accordance with the terms of agreements.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 2,639,750.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №228(292) dated 29.07.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and Lebed Hotel Complex LLC (Lessee).</p> <p>Lebed Hotel Complex LLC shall provide to PJSC MegaFon for temporary use (lease) the hotel complex structural parts and other real estate objects owned by Lebed Hotel Complex LLC for placement of a base station of the mobile communication and antenna-feeder devices of PJSC MegaFon.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 1,430,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №228(292) dated 29.07.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and Ivanovka LLC (Lessee).</p> <p>Ivanovka LLC shall provide to PJSC MegaFon for temporary use (lease) a land part and a part of the AMS surface owned by Ivanovka LLC for placement of a base station of the mobile communication and antenna-feeder devices of PJSC MegaFon.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 497,250.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №228(292) dated 29.07.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and OJSC Oskol Metallurgical Plant (Lessee).</p> <p>OJSC Oskol Metallurgical Plant shall provide to PJSC MegaFon for temporary use (lease) the constructive elements of buildings/ constructions of non-residential premises and other real estate objects owned by OJSC Oskol Metallurgical Plant.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 1,354,270.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №229(293) dated 31.08.2015)	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and SMARTS-Samara JSC (Borrower).</p> <p>Loan amount: RUB 520,000,000 (five hundred and twenty million).</p> <p>Loan maturity date: 5 (five) years.</p> <p>Interest rate: up to 8 (eight) % per annum.</p> <p>Purpose: financing of operational expenses under current activities of SMARTS-Samara JSC.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №229(293) dated 31.08.2015)	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and Astrakhan GSM C.JSC (Borrower).</p> <p>Loan amount: RUB 160,000,000 (one hundred and sixty million).</p> <p>Loan maturity date: 5 (five) years.</p> <p>Interest rate: up to 8 (eight) % per annum.</p> <p>Purpose: financing of operational expenses under current activities of Astrakhan GSM C.JSC.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №229(293) dated 31.08.2015; №233(297) dated 25.12.2015)	<p>Paying up by PJSC MegaFon of contribution to the property of SMARTS-Cheboksary C.JSC.</p> <p>PJSC MegaFon shall make payment in the amount of up to RUB 176,000,000 (one hundred and seventy-six million) as a contribution.</p> <p>Purpose: financing of operational expenses under current activities of SMARTS-Cheboksary C.JSC.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №229(293) dated 31.08.2015)</p>	<p>Paying up by PJSC MegaFon of contribution to the property of Yaroslavl-GSM CJSC.</p> <p>PJSC MegaFon shall make payment in the amount of up to RUB 150,000,000 (one hundred and fifty million) as a contribution.</p> <p>Purpose: financing of operational expenses under current activities of Yaroslavl-GSM CJSC.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №230(294) dated 29.09.2015)</p>	<p>Paying up by PJSC MegaFon of contribution to the property of SMARTS-Volgograd CJSC.</p> <p>PJSC MegaFon shall make payment in the amount of up to RUB 55,000,000 (fifty-five million) as a contribution.</p> <p>Purpose: financing of operational expenses under current activities of SMARTS-Volgograd CJSC.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №230(294) dated 29.09.2015)</p>	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and GARS TELECOM (Borrower).</p> <p>Loan amount: RUB 200,000,000 (two hundred million).</p> <p>Loan maturity date: 5 (five) years.</p> <p>Interest rate: up to 8 (eight) % per annum.</p> <p>Purpose: general corporate needs.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №230(294) dated 29.09.2015)</p>	<p>Master Agreement between PJSC MegaFon and SMARTS-Cheboksary CJSC.</p> <p>In accordance with the Master Agreement between PJSC MegaFon shall render to SMARTS-Cheboksary JSC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • communication channel provision/ virtual communication channel provision; • provision of national roaming; • technical support of international roaming and billing support; • joint use of a radio-frequency spectrum; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • analysis, control and monitoring of communication networks in terms of potential fraud; • full range of agency services; • consultancy services; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>SMARTS-Cheboksary JSC shall provide to PJSC MegaFon the following services and transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • connection of communication network and traffic transmission; • joint use of a radio-frequency spectrum; • communication channel provision; • technical support of network communication infrastructure; • equipment layout, • lease of property; • full range of agency services, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 276,906,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №230(294) dated 29.09.2015)	<p>Master Agreement between PJSC MegaFon and Astrakhan GSM CJSC.</p> <p>In accordance with the Master Agreement between PJSC MegaFon shall render to Astrakhan-GSM CJSC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • communication channel provision/ virtual communication channel provision; • provision of national roaming; • technical support of international roaming and billing support; • joint use of a radio-frequency spectrum; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • analysis, control and monitoring of communication networks in terms of potential fraud; • full range of agency services; • consultancy services; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Astrakhan GSM CJSC shall provide to PJSC MegaFon the following services and transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • connection of communication network and traffic transmission; • joint use of a radio-frequency spectrum; • communication channel provision; • technical support of network communication infrastructure; • equipment layout; • lease of property; • full range of agency services <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 321,113,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №230(294) dated 29.09.2015)</p>	<p>Master Agreement between PJSC MegaFon and Yaroslavl-GSM CJSC.</p> <p>In accordance with the Master Agreement between PJSC MegaFon shall render to Yaroslavl-GSM CJSC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of network communication and radio access network infrastructure for the purpose of communication service provision, including a business model of a virtual operator of wireless telephone communication; • communication channel provision/ virtual communication channel provision; • provision of national roaming; • technical support of international roaming and billing support; • joint use of a radio-frequency spectrum; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • purchase and sale of the property; • works on commissioning and maintenance of technical equipment; • consultancy services; • services of processing of personal data of employees of Yaroslavl-GSM CJSC (and other personal data transferred by Yaroslavl-GSM CJSC); • services on personnel record management of Yaroslavl-GSM CJSC; • services on conducting the accounting of Yaroslavl-GSM CJSC; • full range of agency services; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Yaroslavl-GSM CJSC shall provide to PJSC MegaFon the following services and transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • connection of communication network and traffic transmission; • joint use of a radio-frequency spectrum; • communication channel provision; • technical support of network communication infrastructure; • equipment layout; • lease of property; • purchase and sale of the property • delivery of technological equipment; • full range of agency services <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 300,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №230(294) dated 29.09.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and SMARTS-Cheboksary CJSC (Lessee).</p> <p>PJSC MegaFon shall provide to SMARTS-Cheboksary CJSC for temporary use (lease) the non-residential premise owned by PJSC MegaFon, which located at the address: Cheboksary, 6 Textilschikov.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Master Agreement shall not exceed RUB 985,500.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №230(294) dated 29.09.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and SMARTS-Samara JSC (Lessee).</p> <p>PJSC MegaFon shall provide to SMARTS-Samara JSC for temporary use (lease) the non-residential premise owned by PJSC MegaFon, which located at the address: Tolyatti, Frunze 6V.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 1,365,660.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №230(294) dated 29.09.2015)	<p>Lease Agreement between PJSC MegaFon (Lessor) and Astrakhan GSM CJSC (Lessee).</p> <p>PJSC MegaFon shall provide to Astrakhan-GSM CJSC for temporary use (lease) the non-residential premise owned by PJSC MegaFon, which located at the address: Astrakhan, Naberezhnaya 1 Maya/Shaumyana 75/48.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 764,610.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №230(294) dated 29.09.2015)</p>	<p>Sublease Agreement between PJSC MegaFon (Lessor) and MegaFon Finance LLC (Sub-lessor).</p> <p>PJSC MegaFon shall provide to MegaFon Finance LLC for temporary use (sub-lease) the non-residential premises leased by PJSC MegaFon, which located at the address: Moscow, 30 Kadashevskaya naberezhnaya.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Lease Agreement shall not exceed RUB 382,500.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №200(264) dated 12.11.2013; № 214(278) dated 30.07.2014; №230(294) dated 29.09.2015; №233(297) dated 25.12.2015)</p>	<p>Information, Consultancy and Advertising Service Agreement between PJSC MegaFon (Customer) and HeadHunter LLC (Contractor).</p> <p>In compliance with the terms of such agreement, HeadHunter LLC shall provide to PJSC MegaFon information, consultancy and advertising services related to recruitment.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Information, Consultancy and Advertising Service Agreement shall not exceed RUB 9,260,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №231(295) dated 28.10.2015)	<p>Interrelated agreements (multilateral agreement) on overdraft with total limit between PJSC MegaFon (Borrower), Sberbank of Russia PJSC (Lender) and subsidiaries of PJSC MegaFon (Borrowers).</p> <p>Within these interrelated agreements (multilateral agreement), Sberbank of Russia PJSC shall provide to PJSC MegaFon and to its subsidiaries totally owned by PJSC MegaFon (directly or indirectly) credit services in a form of overdraft under accounts of PJSC MegaFon and its relevant subsidiaries, which are opened in Sberbank of Russia PJSC on the following terms:</p> <ul style="list-style-type: none"> • Total Overdraft Limit: up to RUB 3,000,000,000 (three billion). • Term of Overdraft Credit: up to 3 years. • Limit Availability Period: up to 31 calendar days. • Disbursement schedule: unfixed, when cash is not available or insufficient on the Borrower's account and there is a temporary gap in cash flow. • Repayment of credit: <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: • 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. • Interest for the first and subsequent periods 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 15% per annum. • 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 PJSC MegaFon. <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under interrelated agreements (multilateral agreement) on overdraft with a total limit shall not exceed RUB 4,350,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №147(211) dated 29.04.2011; №154(218) dated 29.09.2011; №166(230) dated 18.04.2012; №184(248) dated 30.11.2012; №192(256) dated 14.05.2013; №200(264) dated 12.11.2013; №231(295) dated 28.10.2015; №233(297) dated 25.12.2015)	<p>Interrelated Agreements (multilateral agreement) of surety between PJSC MegaFon (Pledger), CITIBANK CB JSC (Creditor) and subsidiaries of PJSC MegaFon (Debtors).</p> <p>The scope of such interrelated surety agreements is to provide by PJSC MegaFon of fulfilment obligations of subsidiaries of PJSC MegaFon located in the territory of the Russian Federation to CITIBANK CB JSC within interrelated agreements on special mode of accounts (Pool of Accounts) with a right of overdraft.</p> <p>The term of the Surety Agreement: until full implementation of obligations under interrelated agreements on special mode of accounts (Pool of Accounts).</p> <p>Price (estimated money value) of the property (services) under interrelated agreements (multilateral agreement) of surety, which shall be a subject of alienation due to execution of a transaction, shall not exceed RUB 2,420,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №161(225) dated 31.01.2012; №184(248) dated 30.11.2012; № 166(230) dated 18.04.2012; № 200(264) dated 12.11.2013; № 231(295) dated 28.10.2015)</p>	<p>Interrelated Agreements (multilateral agreement) on special mode of accounts (Pool of Accounts) between PJSC MegaFon, CITIBANK CB JSC, CITIBANK N.A.DUBLIN and subsidiaries of PJSC MegaFon.</p> <p>Interrelated Agreements (multilateral agreement) on special mode of accounts (Pool of Accounts) are concluded with subsidiaries of PJSC MegaFon located in the territory of the Russian Federation for the purpose of sufficient and optimized management of cash assets turnover and financial transactions of PJSC MegaFon and its subsidiaries located in the territory of the Russian Federation.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under interrelated agreements (multilateral agreement) on overdraft with a total limit shall not exceed US\$ 103,300.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №231(295) dated 28.10.2015; №233(297) dated 25.12.2015)</p>	<p>Master Agreement between PJSC MegaFon and GARS TELECOM - Telecommunications Management LLC.</p> <p>In compliance with the Master Agreement PJSC MegaFon shall render to GARS TELECOM - Telecommunications Management LLC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • full range of agency services; • equipment lease, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>GARS TELECOM - Telecommunications Management LLC shall render to PJSC MegaFon the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • full range of agency services; • sale/lease of telecommunication and other equipment; • transfer of rights and obligations on income and expense agreements of GARS TELECOM - Telecommunications Management LLC with the third parties, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 4,464,050,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №231(295) dated 28.10.2015)</p>	<p>Master Agreement between PJSC MegaFon and GARS TELECOM Retail LLC.</p> <p>In compliance with the Master Agreement PJSC MegaFon shall render to GARS TELECOM Retail LLC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • full range of agency services, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>GARS TELECOM Retail LLC shall render to PJSC MegaFon the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • rights and obligations on expense agreements required for provision of the maintenance and operation of the network; • rights and obligations on income agreements on communication services rendering; • full range of agency services <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 160,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №231(295) dated 28.10.2015; №233(297) dated 25.12.2015)</p>	<p>Master Agreement between PJSC MegaFon and GARS TELECOM North-West LLC.</p> <p>In compliance with the Master Agreement PJSC MegaFon shall render to GARS TELECOM North-West LLC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • full range of agency services; • collection of accounts receivable; • equipment lease; • conduction of financial accounting and management accounting, financial planning, audit and treasury, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>GARS TELECOM North-West LLC shall render to PJSC MegaFon the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • full range of agency services; • sale/lease of telecommunication and other equipment; • transfer of rights and obligations on income and expense agreements of GARS TELECOM North-West LLC with the third parties, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 2,020,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №231(295) dated 28.10.2015)</p>	<p>Master Agreement between PJSC MegaFon and Voip Corporation LLC.</p> <p>In compliance with the Master Agreement PJSC MegaFon shall render to Voip Corporation LLC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • information and technical support of subscribers' services; • information and reference maintenance; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • full range of agency services <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Voip Corporation LLC shall provide to PJSC MegaFon the following services and transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • communication channel provision/ virtual communication channel provision/optic fiber communication network provision and its fibers; • technical support of network communication infrastructure; • equipment layout; • connection of communication network and traffic transmission; • joint use of the equipment/ transfer of the equipment for use; • transit of messages of the alarm system; • access to the Internet resources; • use/ lease of cable conduit system, lease of optic fibers and other property; • advertising, co-brand and information services; • transport expedition; • warehouse storage; • connection of subscribers - corporate clients; • use (including joint use) of present software, including, without limitation, conclusion of license (sub-license), agency agreements, technical support agreements and other services (including those, which related to software) and tripartite agreements with a copyright holder of the software; • rights and obligations on expense agreements required for provision of the maintenance and operation of the network; • rights and obligations on income agreements on communication services rendering; • full range of agency services <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 150,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №179(243) dated 07.09.2012; №231(295) dated 28.10.2015)</p>	<p>Master Agreement between PJSC MegaFon and AQUAFON-GSM CJSC.</p> <p>In compliance with the terms of the Master Agreement, the PJSC MegaFon shall render to AQUAFON-GSM CJSC the following services, perform works and transfer property (rights):</p> <ul style="list-style-type: none"> • connection of communication network and traffic transmission; • provision of the access to technical resources of the MMSC service platform (Multimedia Messaging Service Center); • consultancy and information services within work with Resource Management Information System SAP ERP 6.0; • provision of access rights on SAP software; • communication channels provision; • roaming support; • equipment delivery, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>AQUAFON-GSM CJSC shall render to PJSC MegaFon the following services, perform works and transfer property (rights):</p> <ul style="list-style-type: none"> • connection of communication network and traffic transmission; • international roaming services; • provision of virtual telecom channels organized by L2VPN technology; • telecom channel provision, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 2,192,600,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of PJSC MegaFon Board Vermishyan G.A. (1) Member of Board of Directors of the counterparty of the transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №200(264) dated 12.11.2013; №223(287) dated 10.03.2015; №231(295) dated 28.10.2015)</p>	<p>Master Agreement between PJSC MegaFon and OSTELECOM CJSC.</p> <p>In compliance with the terms of the Master Agreement, the PJSC MegaFon shall render to OSTELECOM CJSC the following services, perform works and transfer property (rights):</p> <ul style="list-style-type: none"> • connection of communication network and traffic transmission; • provision technical resources for use; • communication channel provision; • collection, summarising and systematisation of information on services rendered by OSTELECOM CJSC to its subscribers and provision to OSTELECOM CJSC of results of processing such information for the purpose of development financial and management accounting of OSTELECOM CJSC; • consultancy services on information technology development; • information and consultancy services of PJSC MegaFon Contact Center; • consultancy services on development of sufficient system of servicing OSTELECOM CJSC subscribers, organisation of dealer network, development of OSTELECOM CJSC marketing policy, works with content-providers; • consultancy services on public relations development (organisation of activities with journalists and company's subscribers, information campaign in republican mass media, newline maintenance etc.); • consultancy services on current analysis network operation, network optimization, equipment use, communication system maintenance (hardware; updated software, transport network management system); • collection, summarising and systematisation of information on services rendered using PS-Core, SMSC, USSDC and provision to OSTELECOM CJSC of results of processing such information; • consultancy services on ensuring legitimacy of electronic equipment work; • consultancy services on power supply of communication objects; • consultancy services on accounting and reporting; • equipment delivery, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>OSTELECOM CJSC shall render to PJSC Megafon the following services, perform works and transfer property (rights):</p> <ul style="list-style-type: none"> • connection of communication network and traffic transmission; • international roaming; • communication channel provision, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 1,554,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of PJSC MegaFon Board Vermishyan G.A. (1) Member of Board of Directors of the counterparty of the transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №160(224) dated 10.01.2012; №224(288) dated 28.04.2015)</p>	<p>License Agreement on Trademark Use between PJSC MegaFon (Licensor) and AF Telecom Holding LLC (Licensee).</p> <p>Within the License Agreement AF Telecom Holding LLC shall transfer to PJSC MegaFon a right on use of MegaFon trademark;</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under License Agreement shall not exceed RUB 873,600,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №233(297) dated 25.12.2015)</p>	<p>Interrelated Surety Agreement of PJSC MegaFon (Pledger) for fulfilment by subsidiaries of PJSC MegaFon (Debtors) their obligations to the banks and partner companies.</p> <p>Terms of surety Agreement :</p> <ol style="list-style-type: none"> 1. ensuring by PJSC MegaFon of fulfilment by subsidiaries of PJSC MegaFon their obligations to the banks under the agreement on issuance of bank guarantees (including guarantees issued to fulfil by the subsidiaries their obligations under public contracts); 2. ensuring by PJSC MegaFon of fulfilment by subsidiaries of PJSC MegaFon their obligations to the partner companies under Distribution Agreements and Supply Agreements; 3. ensuring by PJSC MegaFon of fulfilment by subsidiaries of PJSC MegaFon their obligations under Bank Financing Agreements and Factoring Agreements. <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Interrelated Surety Agreement of PJSC MegaFon (Pledger) for fulfilment by subsidiaries of PJSC MegaFon (Debtors) their obligations to banks and partner companies shall not exceed RUB 5,000,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
<p>Board of Directors (Minutes №138(203) dated 30.12.2010; №186(250)dated 31.12.2012; №219(283) dated 25.12.2014; №233(297) dated 25.12.2015)</p>	<p>Revolving Loan Agreement between PJSC MegaFon (Borrower) and Metrocom CJSC (Lender).</p> <p>Loan amount: RUB 1,140,000,000.</p> <p>Loan maturity date: until 16.05.2017 (inclusive).</p> <p>Interest rate: up to 8% (eight) per annum.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №203(267) dated 24.12.2013; №233(297) dated 25.12.2015)	<p>Revolving Loan Agreement between PJSC MegaFon (Borrower) and MultiMedia IP LLC (Lender).</p> <p>Loan amount: RUB 80,000,000.</p> <p>Loan maturity date: until 11.10.2019 (inclusive).</p> <p>Interest rate: up to 8% (eight) per annum.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №126(190) dated 15.03.2010; № 150(214) dated 13.07.2011; № 160(224) dated 10.01.2012; № 233(297) dated 25.12.2015)	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and Ostelecom CJSC (Borrower).</p> <p>Loan amount: RUB 662,000,000.</p> <p>Loan maturity date: until 23.03.2019 (inclusive).</p> <p>Interest rate: up to 10% (ten) per annum.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of PJSC MegaFon Board Vermishyan G.A. (1) Member of Board of Directors of the counterparty of the transaction.
Board of Directors (Minutes №126(190) dated 26.02.2010; №127(191) dated 28.04.2010; №140(204) dated 31.01.2011; №149(213) dated 11.07.2011; №160(224) dated 10.01.2012; №189(253) dated 05.03.2013; №233(297) dated 25.12.2015)	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and TT Mobile CJSC (Borrower).</p> <p>Loan amount: US\$ 135,900,000.</p> <p>Loan maturity date: until 19.03.2019 (inclusive).</p> <p>Interest rate: up to 20% (twenty) per annum.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of PJSC MegaFon Board Vermishyan G.A. (1) Member of Board of Directors of the counterparty of the transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №233(297) dated 25.12.2015)</p>	<p>Revolving Loan Agreement between PJSC MegaFon (Lender) and Scartel LLC (Borrower).</p> <p>Loan amount: RUB 3,000,000,000.</p> <p>Loan maturity date: until 31.12.2018 (inclusive).</p> <p>Interest rate: up to 8% (eight) per annum.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of Management Board of PJSC MegaFon Likhodedov K.M.: (1) General Director of the counterparty of the transaction

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №233(297) dated 25.12.2015)</p>	<p>Master Agreement №3 between PJSC MegaFon and NetByNet Holding LLC.</p> <p>In compliance with the terms of the Master Agreement, PJSC MegaFon shall provide to NetByNet Holding LLC the following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • full range of agency services related to with acquisition and servicing of subscribers of NetByNet Holding LLC; • assignment of digital certificate to the customer services; • assigning of debts of PJSC MegaFon subscribers; • long distance/ international telephone communication; • ensuring roaming support; • connection of communication network and traffic transmission; • mobile wireless communication; • communication channel provision/ virtual communication channel provision; • purchase and sale of the property, including communication equipment and optic fibers; • provision of access from the customer device to the point of connection with the target equipment; • equipment layout; • provision for use, lease of property, including communication equipment and optic fibers; • provision of cable channels and bases; • provision for use and software support; • provision of opportunity of joint use of means of communication and other equipment, and ensuring its maintenance, use and repair; • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • ensuring of carrying out focused marketing initiatives; • technical support of communication equipment; • issuance and information and technical support of the electronic signature certificates; • ensuring of documents delivery (mailing); • information, consultancy and advertising services related to recruitment; • provision of resources of automatic payment system; • transfer of rights and obligations under the agreements on layout, use and maintenance of equipment, rescue and reconstruction work, maintenance, reimbursement of energy supply costs, layout of equipment and means of communication, communication service rendering; • Call-center services, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>NetByNet LLC shall render to PJSC MegaFon the following services, perform works and transfer the property/rights:</p> <ul style="list-style-type: none"> • full range of agency services related to with acquisition and servicing of subscribers of PJSC MegaFon; • collection of accounts receivables from subscribers of PJSC MegaFon; • connection of communication network and traffic transmission; • telecom channel provision/ virtual telecom channel provision; • provision of resources of automatic payment system; • purchase and sale of the property, including communication equipment and optic fibers; • equipment layout; • provision of cable channels and bases; • provision for use, lease of property, including communication equipment and optic fibers; • provision for use and software support; • project design and construction and installation works; • maintenance and operation of equipment, means of communication and Universal communication service objects; • monitoring of objects of Universal Communication Services; • performance of emergency repair works, including Universal communication service objects; • provision of access from the customer device to the point of connection with the target equipment; • organization and provision of maintenance of wireless Wi-Fi network; • organization of complete network surveillance system and a situation centre; • provision of opportunity of joint use of means of communication and other equipment, telecom lines and networks and ensuring its maintenance, use and repair; • Call-center services, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 1,316,910,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №228(292) dated 29.07.2015; №233(297) dated 25.12.2015)</p>	<p>Master Agreement between PJSC MegaFon and Scartel LLC.</p> <p>In compliance with the terms of the Master Agreement, the PJSC MegaFon shall render to Scartel LLC following services, transfer the property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of radio access network infrastructure for a business model of a virtual operator of wireless telephone communication; • provision of other infrastructure, including, without limitation: layout of Scartel LLC stands and other property in the PJSC MegaFon Data Processing Center; • connection of communication network and traffic transmission; • provision of national and international roaming and billing support; • telecom channel provision; • virtual telecom channel provision; • provision of opportunity for joint use of comcenters (equipment as a part of comcenters), including technical maintenance and use, repair of equipment, which is a part of comcenters, and other equipment; • provision of opportunity for joint use of base station system equipment and retransmitters of mobile wireless communication network of LTE standard; • provision of technical opportunity for Scartel LLC subscribers to sign the agreements with the use of electronic signature means; • services on processing personal data of Scartel LLC employees (collection, filing, accumulation, keeping, clarification (updating, change), use, anonymization, blocking, destruction) and other personal data transferred by Scartel LLC; • services on conduct of Scartel LLC personnel records management in accordance with the current legislation; • services on conduct of Scartel LLC accounts reporting in compliance with the current legislation; • advertising and information services; • property lease; • full range of agency services; • provision of opportunity for use (including joint use) of PJSC MegaFon software (including SAP software), including, without limitation, opportunity of conclusion of license (sub-license), agency contracts, technical support agreements and on other services (including software) and tripartite agreements with the holders of rights on software; • services on local, inter-zonal telephone communication; • telematic communication services and data services; • mobile wireless communication services; • services intrinsically linked to communication services (including intellectual numbers assignment); • services on provision of access from communication point to the PJSC MegaFon information center, upon request of Scartel LLC; • provision of technical opportunity for Scartel LLC subscribers and other parties specified by Scartel LLC to sign the agreements with the use of electronic signature means; • maintenance services for software, including, without limitation, the equipment and software used by Scartel LLC under the agreements with PJSC MegaFon; • purchase and sale of the equipment, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Scartel LLC shall render to PJSC MegaFon the following services, perform works and transfer property/ rights/ obligations:</p> <ul style="list-style-type: none"> • provision of opportunity for use (including joint use) of Scartel LLC software (including SAP software), including, without limitation, opportunity of conclusion of license (sub-license), agency contracts, technical support agreements and on other services (including software) and tripartite agreements with the holders of rights on software; • cession of a right and obligation of PJSC MegaFon under the agreement concluded with Scartel LLC; • connection of communication network and traffic transmission; • full range of agency services, <p>as well as provide other services, perform works and transfer property/ rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 9,400,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of Management Board of PJSC MegaFon Likhodedov K.M.: (1) General Director of the counterparty of the transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №189(253) dated 05.03.2013; №233(297) dated 25.12.2015)	<p>Master Agreement between PJSC MegaFon and OJSC MegaFon Retail.</p> <p>In compliance with the terms of the Master Agreement, the PJSC MegaFon shall render to MegaFon Retail OJSC the following services and transfer the property:</p> <ul style="list-style-type: none"> • full range of agency services; • information and consultancy services; • transfer of property (including, without limitation, mobile equipment), <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>MegaFon Retail OJSC shall provide PJSC MegaFon the following services and transfer the property:</p> <ul style="list-style-type: none"> • full range of agency services; • information and consultancy services; • transfer of property (including, without limitation, mobile equipment), <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 8,200,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №209(273) dated 23.04.2014; №215(279) dated 25.08.2014; №233(297) dated 25.12.2015)	<p>Master Agreement between PJSC MegaFon and SMARTS-Volgograd CJSC.</p> <p>Within the Master Agreement PJSC MegaFon shall provide SMARTS-Volgograd CJSC the following services, perform works and transfer the property/rights:</p> <ul style="list-style-type: none"> • equipment layout; • communication channel provision; • joint use of the equipment; • connection of communication network and traffic transmission; • transit of messages of the alarm system; • national roaming; • information and reference maintenance; • equipment lease, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>SMARTS-Volgograd CJSC shall render to PJSC MegaFon the following services, perform works and transfer property/rights:</p> <ul style="list-style-type: none"> • provision of wireless access infrastructure of LTE-1800 network of SMARTS-Volgograd CJSC; • connection of communication network and traffic transmission, <p>as well as provide other services, perform works and transfer property/rights/duties.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Master Agreement shall not exceed RUB 422,026,270.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №214(278) dated 30.07.2014; №233(297) dated 25.12.2015)	<p>Interrelated Agreements on Telecommunication Network Connection between PJSC MegaFon and Non-Commercial Partnership for Promotion of Navigation Technologies Development and Application.</p> <p>Within interrelated agreements, PJSC MegaFon and Non-Commercial Partnership for Promotion of Navigation Technologies Development and Application shall provide to each other services on connection telecommunication networks and traffic transmission services.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under the interrelated agreements on connection telecommunication networks and its interaction shall not exceed RUB 6,002,560.</p>	<p>Member of PJSC MegaFon Board. Serebryanikova A.A.: (1) a member of the counterparty Partnership Board.</p>

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №233(297) dated 25.12.2015)	<p>Agreement on connection telecommunication networks between PJSC MegaFon and Mikhaylovskiy GOK OJSC.</p> <p>Within this agreement PJSC MegaFon shall provide to Mikhaylovskiy GOK OJSC the services on connection telecommunication networks at inter-zonal level, and Mikhaylovskiy GOK OJSC shall provide to PJSC MegaFon the services on connection telecommunication networks at local level and traffic transmission services.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under the Agreement on connection telecommunication networks shall not exceed RUB 800,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №196(260) dated 07.08.2013; №219(283) dated 23.12.2014; №233(297) dated 25.12.2015)	<p>Advertising Service Agreement between PJSC MegaFon and VKontakte LLC.</p> <p>Within this agreement VKontakte LLC shall provide to PJSC MegaFon the services on layout of PJSC MegaFon information (advertising) materials in the targeted advertising system, promotion action system and advertising records system in the Internet on VKontakte website (vk.com)</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Advertising Service Agreement shall not exceed RUB 315,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №233(297) dated 25.12.2015)	<p>Agency Agreement between PJSC MegaFon (Principal) and USM HOLDINGS LIMITED (Agent).</p> <p>Under the Agency Agreement, USM HOLDINGS LIMITED on its behalf and at the expense of PJSC MegaFon shall take measures on organization of participation of the PJSC MegaFon representative at International Economic Forum held in Davos, Switzerland.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Agency Agreement shall not exceed CHF 60,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction.
Board of Directors (Minutes №233(297) dated 25.12.2015)	<p>Sublease Agreement between PJSC MegaFon (Lessor) and Regional Navigation and Information Center of Kurgan Region JSC (Sublessee).</p> <p>Within this agreement PJSC MegaFon shall provide to Regional Navigation and Information Center of Kurgan Region JSC for temporary use (sub-lease) the non-residential premises leased by PJSC MegaFon for the purpose of provision of accommodation for the employees of Regional Navigation and Information Center of Kurgan Region JSC.</p> <p>In case of market situation change in compliance with the terms of such agreement, the lease payment may be changed (indexed).</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Sublease Agreement shall not exceed RUB 413,630</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
Board of Directors (Minutes №216(280) dated 29.10.2014; №219(283) dated 23.12.2014; №228(292) dated 29.07.2015; №233(297) dated 25.12.2015)	<p>Interrelated Lease and Sublease Agreements between PJSC MegaFon and Scartel LLC.</p> <p>Within the interrelated agreement PJSC MegaFon shall provide to Scartel LLC for temporary use (sub-lease, lease) the non-residential premises for the purpose of provision of accommodation for the employees of Scartel LLC.; Scartel LLC shall provide to PJSC MegaFon for temporary use (sub-lease) the non-residential premises leased by Scartel LLC.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Interrelated Master Lease and Sublease Agreements shall not exceed RUB 38,850,190.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Member of Management Board of PJSC MegaFon Likhodedov K.M.: (1) General Director of the counterparty of the transaction.
Board of Directors (Minutes №186(250) dated 31.12.2012; №189(253) dated 05.03.2013; №196(260) dated 07.08.2013; №203(267) dated 24.12.2013; №206(270) dated 04.03.2014; №211(275) dated 14.05.2014; №214(278) dated 30.07.2014; №216(280) dated 29.10.2014; №219(283) dated 23.12.2014; №223(287) dated 10.03.2015; №224(288) dated 28.04.2015; №228(292) dated 29.07.2015; №233(297) dated 25.12.2015)	<p>Interrelated Master Lease and Sublease Agreements between PJSC MegaFon and MegaFon Retail OJSC.</p> <p>Within interrelated Master Lease and Sublease Agreements, parties shall provide to each other for temporary use (sub-lease, lease) the non-residential premises for the purpose of provision of accommodation for the employees.</p> <p>Lease payment for premises shall be subject to annual adjustment due to changed market situation and in compliance with agreement terms.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under interrelated Master Lease and Sublease Agreements shall not exceed RUB 255,978,810.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.
Board of Directors (Minutes №219(283) dated 23.12.2014)	<p>Revolving Loan Agreement between PJSC MegaFon (Borrower) and MegaFon Retail OJSC (Lender).</p> <p>Loan amount: RUB 2,500,000,000.</p> <p>Loan maturity date: 3 (three) years.</p> <p>Interest rate: up to 8% (eight) per annum.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Sonera Holding B.V.: (1) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Related party transactions of PJSC MegaFon in 2015 (continued)

Governance body that approved transaction	Subject of a transaction and its material terms	Related parties and grounds of recognition them as interested
<p>Board of Directors (Minutes №219(283) dated 23.12.2014)</p>	<p>Service Agreement on Installation and promotion of applications between PJSC MegaFon (Contractor) and Mail.Ru LLC (Customer).</p> <p>Under the Agreement PJSC MegaFon provides to Mail.Ru LLC services on installation to the interface of mobile portable devices owned by PJSC MegaFon and intended for sale to all unlimited group of people with the purpose of attraction of users to the services through the applications of Mail.Ru LLC, as well as services on installation and promotion of applications in order to make then available to unlimited group of people at mobile portable devices.</p> <p>Total price of property (services) acquired (disposed) by PJSC MegaFon under Service Agreement on Installation and promotion of applications shall not exceed RUB 350,000,000.</p>	<ul style="list-style-type: none"> • AF Telecom Holding LLC: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Telecominvest Holdings Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • MegaFon Investments (Cyprus) Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • ANFIMAKO LIMITED: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction. • Bangorland Ventures Limited: (1) affiliate of the shareholder shall be the party of a transaction; (2) affiliate of the shareholder shall own more than 20% of shares of the legal entity, which is the party of a transaction.

Report on compliance with the principles and recommendations of the Corporate Governance Code

This report on compliance with the principles and recommendations of the Corporate Governance Code (hereinafter, the Code) was considered by the Board of Directors of Public Joint-Stock Company MegaFon (hereinafter, the Company) at its meeting held on 27 April 2016 (Minutes №238(302) dated 27 April 2016).

The Board of Directors certifies that this report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Code in 2015.

In assessing compliance with the corporate governance principles set forth in the Code, the Company was guided by the Recommendations on Preparation of the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code (Letter of the Central Bank of Russia No. IN-06-52/8 dated 17 February 2016).

№	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
1.1	The company shall ensure fair and equitable treatment of all shareholders in exercising their corporate governance rights.			
1.1.1	The company shall ensure the most favourable conditions for its shareholders to participate in the general meeting, develop an informed position on items on the agenda of the general meeting, coordinate their actions, and voice their opinions on items considered.	1. The company's internal document approved by the general meeting of shareholders governing the procedures to hold general meetings of shareholders is publicly available. 2. The company provides an accessible means of communication with the company, such as a hotline, e-mail or online forum, to enable shareholders to express their opinion and send questions on the agenda in preparation for the general meeting. The company performed the above actions in advance of each general meeting held in the reporting period.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting shall enable shareholders to properly prepare for attending the general meeting.	1. The notice of an upcoming general meeting of shareholders is posted (published) online at least 30 days prior to the date of the general meeting. 2. The notice of an upcoming meeting indicates the location of the meeting and the documents required for admission. 3. Shareholders were given access to the information on who proposed the agenda items and who nominated candidates to the company's board of directors and the revision commission.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	Essential procedures for preparing, convening and holding the General Meeting of Shareholders (hereinafter, the GMS) are set out in the Company's Charter and Regulations on the General Meeting of Shareholders (approved by resolution of the extraordinary GMS of PJSC MegaFon, Minutes dated 13 September 2013). When preparing for the GMS, the Company adheres to the principle requiring that shareholders be notified of the GMS and given access to the materials of the GMS at least 30 days prior to the date of such meeting. However, in practice a critically urgent resolution is occasionally required from the GMS on matters related to the day-to-day operations of the Company, or a prompt response to changes in the economic environment to maintain the Company's competitive advantage. In these cases the Company has to notify its shareholders of an upcoming General Meeting of Shareholders within 20 days prior to the date of such meeting so as to reduce the total time required for the GMS to pass a resolution.

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
1.1.3	In preparation for the general meeting and during the general meeting, shareholders shall be enabled to receive information about, and all materials related to, the meeting, put questions to executive bodies and members of the board of directors, as well as communicate with each other, in an unobstructed and timely manner.	<ol style="list-style-type: none"> In the reporting period, shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors in advance of and during the annual general meeting. The position of the board of directors (including dissenting opinions entered in the minutes) on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting of shareholders. The company gave duly authorised shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by the company, in all instances of general meetings held in the reporting period. 	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.1.4	Shareholders shall not encounter unjustified difficulties in exercising their right to request that a general meeting be convened, to nominate candidates to management bodies, and to make proposals for the agenda of the general meeting.	<ol style="list-style-type: none"> In the reporting period, shareholders had an opportunity to make proposals for the agenda of the annual general meeting for at least 60 days after the end of the respective calendar year. In the reporting period, the company did not reject proposals for the agenda or candidates to management bodies due to misprints or other insignificant flaws in the shareholder's proposal. 	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.1.5	Each shareholder shall be enabled to freely exercise his/her voting right in the simplest and most convenient way.	1. The internal document (internal policy) contains provisions stipulating that every participant in the general meeting may, before the end of the respective meeting, request a copy of the ballot filled in by them and certified by the counting commission.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.1.6	The general meeting procedure established by the company shall equally enable all persons attending the meeting to voice their opinion and ask questions.	<ol style="list-style-type: none"> During general meetings of shareholders held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was allocated for reports on and discussion of the agenda items. Candidates to the company's management and control bodies were available to answer shareholders' questions during the meeting at which their nominations were put to vote. When passing resolutions on the preparation and holding of general meetings of shareholders, the board of directors considered the matter of using telecommunications means to provide shareholders with remote access to participate in general meetings in the reporting period. 	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	<p>Candidates to the Company's management and control bodies were not available to answer shareholders' questions during the GMS at which their nominations were put to vote due to their tight schedules during the time when joint-stock companies hold their annual meetings. However, in preparation for the GMS, shareholders are entitled to put any questions to candidates to the Company's management and control bodies by forwarding them to the Company, including to the Corporate secretary.</p> <p>The use of filming equipment, video and/or audio recording devices during the GMS, as well as video and/or audio broadcast of the GMS is prohibited by the Company's Regulations on the GMS to prevent unauthorised disclosure of the Company's insider and confidential information.</p>
1.2	Shareholders shall have equal and fair rights to share profits of the company by receiving dividends.			
1.2.1	The company has developed and introduced a transparent and clear mechanism for determining the dividend amount and paying dividends.	<ol style="list-style-type: none"> The company's dividend policy is developed, approved by the board of directors and disclosed. If the company's dividend policy uses the company's reporting figures to determine the dividend amount, then the respective provisions of the dividend policy shall take into account the consolidated financial statements. 	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
1.2.2	The company shall not resolve to pay out dividends if such resolution, while formally remaining in line with statutory restrictions, is not economically feasible and may lead to a false representation of the company's activities.	1. The company's dividend policy contains clear indications of financial/economic circumstances under which the company shall not pay out dividends.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.2.3	The company shall not allow the dividend rights of its existing shareholders to be impaired.	1. In the reporting period, the company did not take any actions that would lead to the impairment of the dividend rights of its existing shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.2.4	The company shall strive to exclude any ways for its shareholders to receive profit (income) from the company other than dividends and liquidation value.	1. To exclude any ways for its shareholders to receive profit (income) from the company other than dividends and liquidation value, the company's internal documents provide for controls to ensure timely identification and procedure for approval of transactions with affiliates (associates) of the company's substantial shareholders (persons entitled to use the votes attached to voting shares) in cases when the law does not formally recognise these transactions as related-party transactions.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.3	Corporate governance system and practices shall ensure equal treatment for all shareholders – owners of shares of one category (type), including minority shareholders and non-resident shareholders, and their equal treatment by the company.			
1.3.1	The company has created conditions for fair treatment of each shareholder by the governing bodies and the company's controlling entities, including conditions ruling out abuse of minority shareholders by major shareholders.	1. In the reporting period, the procedures for managing potential conflicts of interest among major shareholders were efficient, and the board of directors paid due attention to conflicts among shareholders, if such conflicts occurred.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
1.3.2	The company shall not perform actions which lead or may lead to artificial redistribution of corporate control.	1. Quasi-treasury shares do not exist or did not participate in voting in the reporting period.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	The Company's subsidiary holding a stake in the Company (MegaFon Investments (Cyprus) Limited) does not vote on the approval of transactions in which the Company's majority shareholder has an interest. When voting at the General Meeting of Shareholders on the election of members of the Board of Directors, votes of MegaFon Investments (Cyprus) Limited are only cast for independent members of the Board of Directors.
1.4	Shareholders shall be provided with reliable and effective methods for recording their rights in shares, as well as be enabled to freely dispose of their shares without any hindrance.			
1.4	Shareholders shall be provided with reliable and effective methods for recording their rights in shares, as well as be enabled to freely dispose of their shares without any hindrance.	1. The quality and reliability of the securities owners' register maintenance by the company's registrar meet the requirements of the company and its shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.1	The board of directors shall carry out the strategic management of the company, establish the basic principles of, and approaches to, setting up a risk management and internal control system in the company, control the activities of the company's executive bodies, and perform other key functions.			
2.1.1	The board of directors shall be responsible for passing resolutions related to the appointment and removal of executive bodies, including due to their inadequate performance. The board of directors shall also ensure that the company's executive bodies act in accordance with the approved development strategy and along the company's core lines of business.	1. The board of directors has the authority stipulated in the charter to appoint and dismiss members of executive bodies and to set out the terms and conditions of their contracts. 2. The board of directors reviewed the report(s) by the sole executive body or members of the collective executive body on the implementation of the company's strategy.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	<p>Under the Company's Charter, the appointment and dismissal of members of executive bodies falls within the authority of the GMS.</p> <p>In the opinion of the Company, confirmed by the resolution of the GMS on the approval of the current version of the Company's Charter, this matter falls within the exclusive authority of the Company's supreme management body due to its particular importance in terms of control of the Company's operations exercised by shareholders.</p>
2.1.2	The board of directors shall define the main long-term targets of the company's operations, assess and approve its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business.	1. In the reporting period, the board of directors reviewed at its meetings matters related to the progress in the implementation of the strategy and its updates, approval of the company's financial and business plan (budget), and consideration of the implementation criteria and performance (including interim criteria and performance) of the company's strategy and business plans.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.1.3	The board of directors shall determine the principles of and approaches to organising a risk management and internal control system in the company.	1. The board of directors has determined the principles of and approaches to organising a risk management and internal control system in the company. 2. The board of directors assessed the risk management and internal control system in the company during the reporting period.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.1.4	The board of directors shall define the company's policy on remuneration due to and/or reimbursement (compensation) of costs incurred by members of the board of directors, executive bodies and other key executives of the company.	1. The company has developed and put in place the policy on remuneration and/or reimbursement (compensation) of costs of the members of the board of directors, executive bodies and other key executives, approved by the board of directors. 2. In the reporting period, the board of directors reviewed at its meetings matters related to the said policy (policies).	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.1.5	The board of directors shall play a key role in preventing, identifying and settling internal conflicts between the company's bodies, shareholders and employees.	1. The board of directors plays a key role in preventing, identifying and settling internal conflicts. 2. The company has set up a system for identification of transactions involving a conflict of interest, and a set of measures to resolve such conflicts.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.1.6	The board of directors shall play a key role in ensuring the company's transparency, the timeliness and completeness of its information disclosures, and unhindered access to the company's documents for shareholders.	1. The board of directors has approved the regulations on information policy. 2. The company has designated the persons responsible for the implementation of the information policy.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.1.7	The board of directors shall control the company's corporate governance practices and play a key role in its significant corporate events.	1. In the reporting period, the board of directors considered the matter of the company's corporate governance practices.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.2 The board of directors shall be accountable to the company's shareholders.				
2.2.1	Performance of the board of directors shall be disclosed and made available to the shareholders.	1. The company's annual report for the reporting period includes the information on individual attendance at board of directors and committee meetings. 2. The annual report contains key results of assessment of the board of directors' work in the reporting period.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.2.2	The chairman of the board of directors shall be available to communicate with the company's shareholders.	1. The company has in place a transparent procedure enabling shareholders to forward questions to the chairman of the board of directors and express their respective position.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.3 The board of directors of the company shall be an efficient and professional management body of the company capable of making objective, independent conclusions and taking decisions that comply with the interests of shareholders and the company.				
2.3.1	Only persons with impeccable business and personal reputation, possessing the knowledge and expertise required to make decisions falling within the authority of the board of directors and to perform its functions efficiently, shall be elected to the board of directors.	1. The procedure for assessing the efficiency of the work of the board of directors established in the company includes, inter alia, the assessment of the professional qualifications of the board members. 2. In the reporting period, the board of directors (or its nomination committee) assessed nominees to the board of directors in terms of the required experience, knowledge, business reputation, absence of a conflict of interest, etc.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.3.2	The company's board of directors shall be elected as per a transparent procedure enabling shareholders to receive information about candidates which is sufficient to get an idea of their personal and professional qualities.	1. Whenever the agenda of the general meeting of shareholders included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the results of their assessment carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the independence criteria set forth in Recommendations 102–107 of the Code, as well as the nominees' written consent to be elected to the board of directors.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	The Company did not provide to its shareholders the information on whether the nominee included in the list for voting on the election of the Company's Board of Directors meets the independence criteria set forth in Recommendations 102–107 of the Code. In the future, the Company intends to adhere to the practice of providing the above information to its shareholders in full.
2.3.3	The board of directors shall be balanced, including in terms of qualifications of its members, their experience, knowledge and business qualities, and it shall have the trust of shareholders.	1. As part of the procedure for assessing the work of the board of directors in the reporting period, the board of directors analysed its needs in terms of professional qualifications, experience and business skills.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.3.4	The number of members on the company's board of directors shall enable the board of directors to organise its activities in the most efficient manner, including the possibility to set up committees of the board of directors, and to enable the company's significant minority shareholders to elect a member of the board of directors for whom they give their votes.	1. As part of the assessment of the board of directors carried out in the reporting period, the board of directors considered whether the number of members on the board of directors was in line with the company's needs and with the interests of shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

№	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.4 The board of directors shall include a sufficient number of independent directors.				
2.4.1	An independent director shall be a person of sufficient professionalism, experience and self-reliance to form his/her own opinion, able to make impartial judgements in good faith independent from the company's executive bodies, particular groups of shareholders or other stakeholders. It should also be taken into account that in normal conditions a candidate (elected to the board of directors) cannot be considered independent if he/she is related to the company, its significant shareholder or contractor, the company's competitor, or the government.	1. In the reporting period, all independent members of the board of directors met the independence criteria set forth in Recommendations 102–107 of the Code, or were deemed independent by resolution of the board of directors.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.4.2	The compliance of candidates to the board of directors with the criteria for independence shall be assessed, and a regular review of compliance of independent members of the board of directors with such criteria shall be performed. Substance shall prevail over form in such assessments.	1. In the reporting period, the board of directors (or the nomination committee of the board of directors) formed its opinion on the independence of each member to the board of directors and presented respective opinions to shareholders. 2. In the reporting period, the board of directors (or the nomination committee of the board of directors) reviewed at least once the independence of the current members of the board of directors listed by the company in its annual report as independent directors. 3. The company has developed procedures defining the actions to be taken by a member of the board of directors if he/she ceases to be independent, including the obligation to timely notify the board of directors thereof.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	Once elected by the General Meeting of Shareholders of the Company, all members of the Board of Directors are remotely assessed to determine whether they meet the independence criteria set out in the Russian and UK Corporate Governance Codes. In the final stage of assessment the Company's Board of Directors considers the nominees for independent directors and resolves whether the nominees are to be deemed independent directors of the Company. In the future, the Company intends to carry out the assessment of all nominees to the Company's Board of Directors.
2.4.3	At least one-third of the total elected number of members of the board of directors shall be constituted by independent directors.	1. At least one-third of the total number of members of the board of directors shall be constituted by independent directors.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.4.4	Independent directors shall play a key role in preventing internal conflicts in the company and in the performance by the latter of material corporate actions.	1. Independent directors (who do not have a conflict of interest) carry out a preliminary assessment of material corporate actions implying a possible conflict of interest, and the results of such assessment are presented to the board of directors.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	Independent directors are ultimately involved in the analysis of material corporate actions, as well as matters within the authority of the Board of Directors. Independent directors' dissenting opinion on such matters is communicated to the Board of Directors.

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.5 The chairman of the board of directors shall facilitate the best performance of assigned duties by the board of directors.				
2.5.1	The board of directors shall be chaired by an independent director, or a senior independent director shall be chosen from among the elected independent directors to coordinate the activities of independent directors and enable the interaction with the chairman of the board of directors	1. The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors. 2. The role, rights and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal documents.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	The Board of Directors is chaired by S.V. Soldatenkov (Chief Executive Officer of the Company from 2003 to 2012). In the opinion of the Company, Mr Soldatenkov's vast experience in the telecommunications industry, his extraordinary management skills, in-depth knowledge of all areas and nuances of the Company's business starting from its foundation guarantee the Board's efficiency, achievement of balance in observing the interests and rights of shareholders, with due regard for the Company's business needs.
2.5.2	The chairman of the board of directors shall maintain a constructive environment at meetings, enable free discussions of agenda items, and supervise the execution of resolutions passed by the board of directors.	1. The performance of the chairman of the board of directors was assessed as part of the procedure for assessing the efficiency of the board of directors in the reporting period.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.5.3	The chairman of the board of directors shall take all steps necessary for the timely provision to members of the board of directors of information required to pass resolutions on agenda items.	1. The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to members of the board of directors of materials regarding items on the agenda of the board meeting.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.6 Members of the board of directors shall act reasonably and in good faith in the best interests of the company and its shareholders, relying on sufficient information, exercising due care and prudence.				
2.6.1	Members of the board of directors shall make decisions based on all information available, without conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks.	1. The company's internal documents provide that a member of the board of directors shall notify the board of directors if he/she has a conflict of interest in respect of any issue on the agenda of the board meeting or the board's committee meeting, prior to the discussion of the relevant agenda item. 2. The company's internal documents provide that a member of the board of directors shall abstain from voting on any item in connection with which he/she has a conflict of interest. 3. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.6.2	The rights and obligations of members of the board of directors shall be clearly defined and set out in the company's internal documents.	1. The company has adopted and published an internal document clearly defining the rights and obligations of members of the board of directors.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

N°	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.6.3	Members of the board of directors shall have sufficient time to perform their duties.	<p>1. Individual attendance at board and committee meetings, as well as time devoted to preparation for attending meetings, was recorded as part of the procedure for assessing the board of directors in the reporting period.</p> <p>2. In accordance with the company's internal documents, members of the board of directors shall inform the board of their intention to take a position in management bodies of other organisations (except for entities controlled by, or affiliated to, the company), or about such appointment being made.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.6.4	All members of the board of directors shall have an equal opportunity to access the company's documents and information. Newly elected board members shall be provided with sufficient information about the company and the work of its board of directors as soon as practicable.	<p>1. In accordance with the company's internal documents, members of the board of directors are entitled to have access to documents and make queries regarding the company and entities under its control, and the company's executive bodies must provide relevant information and documents.</p> <p>2. The company has in place a formalised induction programme for newly elected members of the board of directors.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.7	Meetings of the board of directors, preparation for such meetings and participation of the members of the board of directors shall ensure efficient performance by the board of directors.			
2.7.1	Meetings of the board of directors shall be held as needed, taking into account the scale of operations and goals of the company at a particular time.	1. The board of directors held at least six meetings in the reporting year.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.7.2	Internal regulations of the company shall provide a procedure for the preparation and holding of the board meetings, enabling members of the board of directors to prepare for such meetings in a proper manner.	1. The company has an approved internal document that describes the procedure for arranging and holding meetings of the board of directors and sets out, in particular, that the notice of the meeting shall be given, as a rule, at least five days prior to such meeting.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.7.3	The format of the meeting of the board of directors shall be determined taking into account the importance of items on the agenda. The most important matters shall be dealt with at meetings of the board of directors held in person.	1. The company's charter or internal document provides for the most important matters (as per the list set out in Recommendation 168 of the Code) to be passed at in-person meetings of the board of directors.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.7.4	Resolutions on most important matters relating to the company's operations shall be passed at a meeting of the board of directors by a qualified majority or by a majority of all elected board members.	1. The company's charter provides for the most important matters set out in Recommendation 170 of the Code to be passed at a meeting of the board of directors by a qualified majority of at least three quarters or by a majority of all elected board members.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	Not stipulated by the Company's Charter; however, in the reporting year, all resolutions on such matters were actually passed unanimously by all members of the Board of Directors entitled to vote on such matters.

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.8 The board of directors shall set up committees for preliminary consideration of the most important issues related to the business of the company.				
2.8.1	To preview matters related to controlling the company's financial and business activities, it is recommended to set up an audit committee comprised of independent directors.	<ol style="list-style-type: none"> The board of directors has set up an audit committee comprised solely of independent directors. The company's internal documents set out the tasks of the audit committee, including those listed in Recommendation 172 of the Code. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analysing, assessing and auditing accounting (financial) statements. Meetings of the audit committee were held at least once a quarter during the reporting period. 	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	<p>The Company has set up the Audit Committee.</p> <p>The Audit Committee is chaired by Jan Rudberg, independent member of the Board of Directors, who has a strong track record in business administration and international telecommunications, along with in-depth knowledge of preparing, analysing, assessing and auditing accounting (financial) statements.</p> <p>In the opinion of the Company, the current composition of committees provides for an optimal distribution of workload among members of the Board of Directors, takes into account the experience and knowledge of each member of the Board of Directors, ensures their ultimate involvement in the activities of the respective committee, and maintains the balance of shareholders' interests.</p> <p>In addition, the Company actively involves all members of the Board of Directors in Committee meetings dedicated to most important matters relating to the company's operations.</p>
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee shall be set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors.	<ol style="list-style-type: none"> The board of directors has set up a remuneration committee comprised solely of independent directors. The remuneration committee is headed by an independent director who is not the chairman of the board of directors. The company's internal documents set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code 	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	<p>The Company has set up the Remuneration and HR Development Committee.</p> <p>The Remuneration and HR Development Committee is chaired by Lord Paul Myners, independent member of the Board of Directors, who has a strong track record in the telecommunications industry and knowledge of finance, politics and corporate governance.</p> <p>In the opinion of the Company, the current composition of committees provides for an optimal distribution of workload among members of the Board of Directors, takes into account the experience and knowledge of each member of the Board of Directors, ensures their ultimate involvement in the activities of the respective committee, and maintains the balance of shareholders' interests.</p> <p>In addition, the Company actively involves all members of the Board of Directors in Committee meetings dedicated to most important matters relating to the company's operations.</p>

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.8.3	To preview matters related to talent management (succession planning), professional composition and efficiency of the board of directors, a nomination (HR) committee shall be set up, predominantly comprised of independent directors.	1. The board of directors has set up a nomination committee (or its tasks listed in Recommendation 186 of the Code are fulfilled by another committee) predominantly comprised of independent directors. 2. The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in Recommendation 186 of the Code.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	The functions of the nomination committee are assumed by the Remuneration and HR Development Committee chaired by Lord Paul Myners, an independent member of the Board of Directors. In the opinion of the Company, the current composition of committees provides for an optimal distribution of workload among members of the Board of Directors, takes into account the experience and knowledge of each member of the Board of Directors, ensures their ultimate involvement in the activities of the respective committee, and maintains the balance of shareholders' interests. In addition, the Company actively involves all members of the Board of Directors in Committee meetings dedicated to most important matters relating to the company's operations.
2.8.4	Taking into account the company's scope of business and level of risks, the company's board of directors made sure that the composition of its committees is fully in line with company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.).	1. In the reporting period, the board of directors considered whether the composition of its committees was in line with the board's tasks and the company's business goals. Additional committees were either set up or not deemed necessary.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.8.5	Committees shall be composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions.	1. Committees of the board of directors are headed by independent directors. 2. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee and the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.8.6	Committee chairmen shall inform the board of directors and its chairman on the work of their committees on a regular basis.	1. During the reporting period, committee chairmen reported to the board of directors on the work of committees on a regular basis.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
2.9	The board of directors shall ensure assessment of the quality of work of the board of directors, its committees and members of the board of directors.			
2.9.1	The board of directors' performance assessment shall be aimed at determining the efficiency of the board of directors, its committees and members, consistency of their work with the company's development requirements, as well as bolstering the work of the board of directors and identifying areas for improvement.	1. Self-assessment or external assessment of the board of directors' performance carried out in the reporting period included performance assessment of committees, individual members of the board of directors and the board of directors in general. 2. Results of self-assessment or external assessment of the board of directors' performance carried out in the reporting period were reviewed at the in-person meeting of the board.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
2.9.2	Performance of the board of directors, its committees, and members shall be assessed regularly at least once a year. An external advisor shall be engaged at least once in three years to conduct an independent assessment of the board of directors' performance.	1. The company engaged an external advisor to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
3.1	The company's corporate secretary shall ensure efficient ongoing interaction with shareholders, coordinate the company's efforts to protect shareholder rights and interests and support the activities of the board of directors.			
3.1.1	The corporate secretary shall have the knowledge, experience and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders.	1. The company has adopted and published an internal document – regulations on the corporate secretary. 2. The biographical data of the corporate secretary are published on the corporate website and in the company's annual report with the same level of detail as for members of the board of directors and the company's executives.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
3.1.2	The corporate secretary shall be sufficiently independent of the company's executive bodies and have the powers and resources required to perform his/her tasks.	1. The board of directors approves the appointment, removal and additional remuneration of the corporate secretary.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.1	Remuneration payable by the company shall be sufficient to attract, motivate, and retain people with competencies and qualifications required by the company. Remuneration payable to members of the board of directors, executive bodies and other key executive officers of the company shall be in compliance with the approved remuneration policy of the company.			
4.1.1	The amount of remuneration paid by the company to members of the board of directors, executive bodies and other key executives shall create sufficient incentives for them to work efficiently, while enabling the company to engage and retain competent and qualified specialists. At the same time, the company shall avoid unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of the above persons and the company's employees.	1. The company has in place an internal document (internal documents) – the policy (policies) on remuneration of members of the board of directors, executive bodies and other key executives, which clearly defines the approaches to remuneration of the above persons.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.1.2	The company's remuneration policy shall be devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, shall ensure control over the introduction and implementation of the company's remuneration policy, revising and amending it as required.	1. During the reporting period, the remuneration committee considered the remuneration policy (policies) and the practical aspects of its (their) introduction and presented relevant recommendation to the board of directors as required.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.1.3	The company's remuneration policy shall include transparent mechanisms for determining the amount of remuneration due to members of the board of directors, executive bodies and other key executives of the company, and regulate all types of expenses, benefits and privileges provided to such persons.	1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to members of the board of directors, executive bodies and other key executives of the company, and regulates (regulate) all types of expenses, benefits and privileges provided to such persons.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

N°	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
4.1.4	The company shall define a policy on reimbursement (compensation) of costs detailing a list of reimbursable expenses and specifying service levels that members of the board of directors, executive bodies and other key executives of the company can claim. Such policy can make part of the company's remuneration policy.	1. The remuneration policy (policies) defines (define) the rules for reimbursement of costs incurred by members of the board of directors, executive bodies and other key executives of the company.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.2 Remuneration system of members of the board of directors shall ensure alignment of financial interests of the directors with long term financial interests of the shareholders.				
4.2.1	The company shall pay fixed annual remuneration to members of the board of directors. The company shall not pay remuneration for attending particular meetings of the board of directors or its committees. The company shall not apply any form of short-term motivation or additional financial incentive for members of the board of directors.	1. Fixed annual remuneration was the only form of monetary remuneration payable to members of the board of directors for their service on the board of directors during the reporting period.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.2.2	Long-term ownership of the company's shares shall help align the financial interests of members of the board of directors with long-term interests of shareholders to the utmost. At the same time, the company shall not link the right to dispose of shares to performance targets, and members of the board of directors shall not participate in stock option plans.	1. If the company's internal document(s) – the remuneration policy (policies) stipulates (stipulate) provision of the company's shares to members of the board of directors, clear rules for share ownership by board members shall be defined and disclosed, aimed at stimulating long-term ownership of such shares.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.2.3	The company shall not provide for any extra payments or compensations in the event of early termination of office of members of the board of directors resulting from the change of control or any other reasons whatsoever.	1. The company does not provide for any extra payments or compensations in the event of early termination of office of members of the board of directors resulting from the change of control or any other reasons whatsoever.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.3 The company shall consider its performance and the personal contribution of each executive to the achievement of such performance, when determining the amount of a fee payable to members of the executive bodies and other key executive officers of the company.				
4.3.1	Remuneration due to members of executive bodies and other key executives of the company shall be determined in a manner providing for reasonable and justified ratio of the fixed and variable parts of remuneration, depending on the company's results and the employee's personal contribution.	1. In the reporting period, annual performance results approved by the board of directors were used to determine the amount of the variable part of remuneration due to members of executive bodies and other key executives of the company. 2. During the latest assessment of the system of remuneration for members of executive bodies and other key executives of the company, the board of directors (remuneration committee) made sure that the company applies the efficient ratio of the fixed and variable parts of remuneration. 3. The company has in place a procedure that guarantees return to the company of bonus payments illegally received by members of executive bodies and other key executives of the company.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
4.3.2	The company shall put in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of the company's shares (options and other derivative instruments where the company's shares are the underlying asset).	1. The company has in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of the company's shares (financial instruments based on the company's shares). 2. The long-term incentive programme for members of executive bodies and other key executives of the company implies that the right to dispose of shares and other financial instruments used in this programme shall take effect at least three years after such shares or other financial instruments are granted. The right to dispose of such shares or other financial instruments is linked to the company's performance targets.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
4.3.3	The compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, shall not exceed the double amount of the fixed part of their annual remuneration.	1. In the reporting period, the compensation (golden parachute) payable by the company in case of early termination of the powers of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed part of their annual remuneration.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
5.1	The company shall put in place an effective risk management and internal control system providing reasonable assurance in the achievement of the company's objectives.			
5.1.1	The company's board of directors shall determine the principles and approaches to organising a risk management and internal control system at the company.	1. Functions of different management bodies and divisions of the company in the risk management system and internal control are clearly defined in the company's internal documents /relevant policy approved by the board of directors.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
5.1.2	The company's executive bodies shall ensure establishment and continuous operation of an efficient risk management and internal control system in the company.	1. The company's executive bodies ensured the distribution of functions and powers related to risk management and internal control between the heads (managers) of divisions and departments accountable to them.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
5.1.3	The company's risk management and internal control system ensures an objective, fair and clear representation of the current state of the company and its future prospects, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure.	1. The company has in place the anti-corruption policy. 2. The company has arranged for accessible means of notifying the board of directors or the board's audit committee about violations of the law, the company's internal procedures and code of ethics.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
5.1.4	The company's board of directors shall take necessary measures to make sure that the company's risk management and internal control system is consistent with the principles of, and approaches to, its setting up determined by the board of directors, and that the system is functioning efficiently.	1. In the reporting period, the board of directors or the board's audit committee assessed the efficiency of the company's risk management and internal control system. The information on the key results of this assessment is included in the company's annual report.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

№	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
5.2	The company shall perform internal audit for the regular independent assessment of the reliability and effectiveness of the risk management and internal control systems and corporate governance.			
5.2.1	The company shall set up a separate business unit or engage an independent external organisation to carry out an internal audit. The functional and administrative subordination of the internal audit division shall be separated. The internal audit division shall functionally report to the board of directors.	1. To perform internal audits, the company has set up a separate internal audit unit functionally reporting to the board of directors or the audit committee, or engaged an independent external organisation under the same principle of subordination.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
5.2.2	The internal audit unit shall assess the performance of the internal control, risk management, and corporate governance systems. The company shall apply generally accepted standards of internal audit.	1. In the reporting period, the performance of the internal control and risk management system was assessed as part of the internal audit procedure. 2. The company applies generally accepted approaches to internal audit and risk management.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
6.1	The company and its business shall be transparent for shareholders, investors and other related parties.			
6.1.1	The company shall develop and adopt an information policy ensuring an efficient exchange of information between the company, its shareholders, investors, and other related parties.	1. The company's board of directors has approved the information policy developed taking into account the Code's recommendations. 2. The board of directors (or one of its committees) considered the matters related to the company's compliance with its information policy at least once in the reporting period.	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	In its interaction with investors and other stakeholders the Company widely uses the methods listed in the Corporate Governance Code. In the opinion of the Company, there is no need to formalise the methods of interaction with investors and other stakeholders.
6.1.2	The company shall disclose information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of this Code.	1. The company discloses information on its corporate governance system and general principles of corporate governance applied in the company, in particular, on the corporate website. 2. The company discloses information on the composition of executive bodies and the board of directors, independence of the board members and their membership in the board's committees (as defined in the Code). 3. If the company has a controlling person, the company publishes a memorandum of the controlling person setting out the latter's plans for the company's corporate governance.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
6.2	The company shall make timely disclosures of complete, updated and reliable information to allow shareholders and investors to make informed decisions.			
6.2.1	The company shall disclose information based on the principles of regularity, consistency and promptness, as well as availability, reliability, completeness and comparability of disclosed data.	1. The company's information policy defines the approaches to, and criteria of, identification of information that can have a material impact on the company's evaluation and the price of its securities, as well as procedures ensuring timely disclosure of such information. 2. If the company's securities are traded on foreign organised markets, the company shall ensure concerted and equivalent disclosure of material information in the Russian Federation and in the said markets in the reporting period. 3. If foreign shareholders hold a significant amount of the company's shares, during the reporting year, information was disclosed not only in the Russian language, but also in one of the most widespread foreign languages.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

Nº	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
6.2.2	The company shall strive to avoid a formalistic approach to information disclosure, and to disclose critical information about its operations even if such disclosure is not required by law.	<p>1. In the reporting period, the company disclosed annual and 6M financial statements prepared under the IFRS. The company's annual report for the reporting period contains annual financial statements prepared under the IFRS, along with the auditor's report.</p> <p>2. The company discloses complete information on its capital structure, as stated in Recommendation 290 of the Code, in its annual report and on the official website of the company.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
6.2.3	The annual report, as one of the most important tools of information exchange with shareholders and other stakeholders, shall contain information enabling assessment of the company's performance in the reporting year.	<p>1. The company's annual report contains information on the key aspects of the company's operations and its financial results.</p> <p>2. The company's annual report contains information on the environmental and social aspects of the company's operations.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
6.3	The company shall provide information and documents as per the requests of shareholders in compliance with principles of fairness and ease of access.			
6.3.1	The company shall provide information and documents as per the requests of shareholders in compliance with principles of fairness and ease of access.	1. The company's information policy establishes the procedure for providing shareholders with easy access to information, including information on legal entities controlled by the company, as requested by shareholders.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
6.3.2	When providing information to shareholders, the company shall ensure reasonable balance between the interests of particular shareholders and its own interests consisting in preserving the confidentiality of important commercial information which may materially affect its competitiveness.	<p>1. In the reporting period, the company did not refuse shareholders' requests for information, or such refusals were justified.</p> <p>2. In cases defined by the information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality.</p>	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
7.1	Actions that significantly impact or may significantly impact the share capital structure or financial condition of the company and, respectively, shareholders position (material corporate actions) shall be fairly executed providing observance of rights and interests of shareholders and other stakeholders.			
7.1.1	Material corporate actions shall include restructuring of the company, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of major transactions, increase or decrease of the company's authorised capital, listing or de-listing of the company's shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The charter of the company shall provide a list of transactions, or other actions classified as material corporate actions pertaining to the competence of the board of directors of the company.	<p>1. The company's charter includes a list of transactions or other actions deemed to be material corporate actions, and criteria for their identification. Decisions on material corporate actions are referred to the jurisdiction of the board of directors. When execution of such corporate actions is expressly referred by law to the jurisdiction of the general meeting of shareholders, the board of directors presents relevant recommendations to shareholders.</p> <p>2. Under the charter, material corporate actions include at least: company reorganisation, acquisition of 30% or more of the company's voting shares (in case of takeover), entering in major transactions, increase or decrease of the company's authorised capital, listing or de-listing of the company's shares.</p>	<input type="checkbox"/> Complied with <input checked="" type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	Transactions and/or actions listed in the Corporate Governance Code are not defined by the Company's Charter as material corporate actions; they are, however, included in the list of matters within the authority of the Board of Directors and/or its Committees.
7.1.2	The board of directors shall play a key role in making decisions or working out recommendations regarding material corporate actions, relying on the opinions of the company's independent directors.	1. The company has in place a procedure enabling independent directors to express their opinions on material corporate actions prior to approval thereof.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	

Report on compliance with the principles and recommendations of the Corporate Governance Code (continued)

N°	Corporate governance principles	Assessment criteria for compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Justification of deviations from assessment criteria for compliance with the corporate governance principle
7.1.3	When taking material corporate actions affecting the rights and lawful interests of shareholders, equal terms and conditions shall be ensured for all shareholders of the company, and, in case of insufficient statutory mechanisms for protecting shareholder rights, additional measures shall be taken to protect the rights and lawful interests of the company's shareholders. In doing so, the company shall be guided by the corporate governance principles set forth in the Code, as well as by formal statutory requirements.	1. Taking into account the specifics of the company's operations, the company's charter establishes lower minimum criteria for the company's transactions to be deemed material corporate actions than those provided by law. 2. In the reporting period, all material corporate actions were subject to the approval procedure prior to execution.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
7.2	The company shall execute material corporate actions in such a way as to ensure that shareholders timely receive complete information about such actions, allowing them to influence such actions and guaranteeing adequate protection of their rights when performing such actions.			
7.2.1	Information about material corporate actions shall be disclosed with explanations of the grounds, circumstances and consequences.	1. In the reporting period, the company disclosed information about its material corporate actions in due time and in detail, including the grounds for, and timelines of, such actions.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	
7.2.2	Rules and procedures related to material corporate actions taken by the company shall be set out in the company's internal documents.	1. The company's internal documents provide for the procedure for engaging an independent appraiser to determine the value of the property disposed of or acquired pursuant to a major transaction or a related-party transaction. 2. The company's internal documents provide for the procedure for engaging an independent appraiser to assess the value of the company's shares at their repurchase or redemption. 3. The company's internal documents provide for an expanded list of grounds on which members of the company's board of directors as well as other persons as per the applicable law are deemed to be related parties to the company's transactions.	<input checked="" type="checkbox"/> Complied with <input type="checkbox"/> Not fully complied with <input type="checkbox"/> Not complied with	