

Report on related party transactions carried out by Sistema PJSFC in 2016

All the transactions closed by Sistema PJSFC in 2016 that are recognised as related party transactions under the Federal Law On Joint-Stock Companies were approved by the Board of Directors of the Corporation.

This report was approved by Sistema's Board of Directors at the meeting on 20 May 2017 (Minutes No. 06-17 dd 22 May 2017); the reliability of information included in the report was confirmed by the Audit Review Commission of Sistema PJSFC.

| 1 | 2 | 3 | 4 | 5 | 6 |
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| No | No of the BoD/AGM minutes and decision date | Subject of the transaction | Counterparties | Transaction value | Related parties |
| 1 | 07-14 13/09/2014 | Sistema's shareholding in TCF Project PTE LTD by purchasing additionally issued shares of TCF Project PTE LTD | TCF Project PTE LTD | RUB 1,113,749,000.00 | JSC Sistema Finance |
| 2 | 07-15 27/08/2015 | Acquisition of ordinary registered book-entry shares in PJSC MTS Bank from PJSC MTS Bank. | PJSC MTS Bank | RUB 3,700,000,000.00 | JSC Sistema Finance V. Evtushenkov, F. Evtushenkov, V. Rozanov |
| 3 | 01-16 06/02/2016 | Signing a Guarantee Agreement between Sistema JSFC and the Central Bank of India to secure the liabilities of SSTL under the Guarantee Facility Agreement | Central Bank of India, SSTL | INR 3,910,000,000.00 | JSC Sistema Finance V. Rozanov |
| 4 | 01-16 06/02/2016 | Signing Amendment Agreement to Documentary Letter of Credit Agreement by Sistema and ING Bank (Eurasia) to secure the liabilities of SSTL | ING Bank (Eurasia) JSC, SSTL | INR 2,500,000,000.00 | JSC Sistema Finance, V. Rozanov |
| 5 | 01-16 06/02/2016 | Amendment of Loan Agreement between Sistema JSFC as the Lender and JSC Kronstadt Group as the Borrower | JSC Kronstadt Group | RUB 316,000,000.00 | JSC Sistema Finance, S. Boev, M. Shamolin, M. Cherny |
| 6 | 01-16 06/02/2016 | Sistema making an additional contribution to the authorised capital of LLC The Davydovs' Estate. | LLC Davydovs' Estate | RUB 274,000,000.00 | JSC Sistema Finance |
| 7 | 07-15 27/08/2015 | Acquisition of securities from Sitronics IT B.V. | Sitronics IT B.V. | RUB 5,874,725,408.00 | JSC Sistema Finance |
| 8 | 07-15 27/08/2015 | Pledge of property to the Bank of Moscow | OJSC Bank of Moscow | RUB 5,874,725,408.00 | OJSC Sistema Finance, S. Boev, F. Evtushenkov, V. Rozanov |
| 9 | 01-16 06/02/2016 | Provision of free-of-charge financial aid to CJSC Cottagestroy-17. | CJSC Cottagestroy-17 | RUB 309,000,000.00 | JSC Sistema Finance |
| 10 | 02-16 12/03/2016 | Acquisition from JSC Steppe Agro Holding of ordinary registered shares additionally issued by JSC Steppe Agro Holding | JSC Steppe Agro Holding | RUB 6,063,880,000.00 | JSC Sistema Finance, A. Uzdenov, S. Shishkin |

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| 11 | 03-16 06/04/2016 | Provision of an interest-bearing loan to JSC Steppe Agro Holding | JSC Steppe Agro Holding | RUB 2,652,706,984.00 | JSC Sistema Finance, A. Uzdenov, S. Shishkin |
| 12 | 04-16 15/04/2016 | Provision of an interest-bearing loan to LLC Kronstadt Group | LLC Kronstadt Group | RUB 1,129,000,000.00 | JSC Sistema Finance, S. Boev, M. Cherny, M. Shamolin, S. Shishkin |
| 13 | 04-16 15/04/2016 | Making an additional contribution to the authorised capital of LLC Kronstadt Group | LLC Kronstadt Group | RUB 4,251,928,407.53 | JSC Sistema Finance, S. Boev, M. Cherny, M. Shamolin, S. Shishkin |
| 14 | 04-16 15/04/2016 | Contributing ECU GEST HOLDING S.A. shares and Sistema Capital S.A. shares to the authorised capital of Sistema Finance S.A. in exchange for Sistema Finance S.A. shares | Sistema Finance S.A. | RUB 8,001,000,000.00 | JSC Sistema Finance, F. Evtushenkov, V. Rozanov, M. Shamolin |
| 15 | 06-16 21/05/2016 | Amendment of the terms of the interest-bearing loan issued to JSC Business Nedvizhimost (maturity date, loan amount, interest rate) | JSC Business Nedvizhimost | RUB 3,709,815,832.00 | JSC Sistema Finance, L. Monosov, S. Shishkin, V. Shukshin |
| 16 | 06-16 21/05/2016 | Amendment of the terms of the interest-bearing loan issued to JSC Leader Invest (loan amount, interest rate) | JSC Leader Invest | RUB 300,000,000.00 | JSC Sistema Finance, V. Evtushenkov, F. Evtushenkov, V. Rozanov, S. Shishkin |
| 17 | 06-16 21/05/2016 | Acquisition of ordinary registered book-entry shares of OJSC RTI from S. Boev | S. Boev | RUB 286,200,000.00 | JSC Sistema Finance, S. Boev |
| 18 | 06-16 21/05/2016 | Transfer of ordinary registered book-entry shares of OJSC RTI to S. Boev | S. Boev | RUB 286,200,000.00 | JSC Sistema Finance S. Boev |
| 19 | 08-16 05/08/2016 | Transfer of 355,456 shares in OZON HOLDINGS LIMITED (10.8%) to Sistema Finance S.A. | Sistema Finance S.A. | RUB 2,707,147,500.00 | Sistema Finance |
| 20 | 02-16 12/03/2016 | Acquisition of additionally issued ordinary registered shares in Sistema Finance S.A. from Sistema Finance S.A. | Sistema Finance S.A. | RUB 3,510,474,734.00 | JSC Sistema Finance, F. Evtushenkov, V. Rozanov, M. Shamolin |
| 23 | 08-16 05/08/2016 | Provision of an interest-bearing loan to JSC Sistema Venture Capital | JSC Sistema Venture Capital | RUB 2,083,006,357.91 | JSC Sistema Finance, M. Cherny |
| 24 | 10-16 10/09/2016 | Acquisition of additionally issued registered book-entry shares of PJSC MTS Bank | PJSC MTS Bank | RUB 7,750,000.00 | JSC Sistema Finance, V. Evtushenkov, F. Evtushenkov, V. Rozanov. |
| 25 | 10-16 10/09/2016 | Signing of a shareholder agreement between Sistema and K. Averin | Konstantin Averin | RUB 587,000,000.00 | JSC Sistema Finance |
| 26 | 10-16 10/09/2016 | Acquisition of additionally issued shares of JSC Business Nedvizhimost | JSC Business Nedvizhimost | RUB 3,349,994,822.44 | JSC Sistema Finance, L. Monosov, S. Shishkin, V. Shukshin |
| 27 | 10-16 10/09/2016 | Contribution of cash funds to the authorised capital of LLC Segezha Group | LLC Segezha Group | RUB 7,600,000,000.00 | JSC Sistema Finance |
| 28 | 10-16 10/09/2016 | Concluding an agreement on early redemption of interest- | LLC Segezha Group | RUB 7,600,000,000.00 | JSC Sistema Finance |

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| | | bearing promissory notes issued by LLC Segezha Group to Sistema PJSFC | | | |
| 29 | 11-16 06/10/2016 | Granting a loan to JSC Steppe Agro Holding | JSC Steppe Agro Holding | RUB 4,858,842,700.00 | JSC Sistema Finance, A. Zasursky, A. Uzdenov, S. Shishkin |
| 30 | 12-16 29/10/2016 | Granting an interest-bearing loan to LLC Sistema Hotel Management | LLC Sistema Hotel Management | RUB 2,900,000,000.00 | JSC Sistema Finance, L. Monosov |
| 31 | 12-16 29/10/2016 | Sale of Detsky Mir shares to Sistema's Management Board member Valentin Korchunov | V. Korchunov | RUB 27,531,138.00 | JSC Sistema Finance, V. Korchunov |
| 32 | 12-16 29/10/2016 | Selling MTS shares to LLC Stream Digital | LLC Stream Digital | RUB 356,000,000.00 | JSC Sistema Finance, V. Evtushenkov, A. Dubovskov, F. Evtushenkov, M. Shamolin, A. Gorbunov, V. Rozanov. |
| 33 | 13-16 09/12/2016 | JSC Steppe Agro Holding granting an interest-bearing loan to PJSFC Sistema | JSC Steppe Agro Holding | RUB 1,000,000,000.00 | JSC Sistema Finance, A. Zasursky, A. Uzdenov, S. Shishkin |
| 34 | 13-16 09/12/2016 | Acquiring an equity stake in LLC Kronstadt Group from OJSC RTI | OJSC RTI | RUB 657,000,000.00 | JSC Sistema Finance, V. Evtushenkov, S. Boev, F. Evtushenkov, S. Shishkin. |
| 35 | 13-16 09/12/2016 | Granting an interest-bearing loan to LLC Sistema Telecom Assets | LLC Sistema Telecom Assets | RUB 6,000,000,000.00 | JSC Sistema Finance, S. Shishkin |
| 36 | 13-16 09/12/2016 | Transfer to LLC Sistema Telecom Assets of a promissory note issued by OJSC NPK NIIDAR | LLC Sistema Telecom Assets | RUB 1,421,972,360.30 | JSC Sistema Finance, S. Shishkin |
| 37 | 13-16 09/12/2016 | Acquisition of promissory notes from CJSC RTI Microelectronics | CJSC RTI Microelectronics | RUB 3,360,291,000.00 | JSC Sistema Finance |
| 38 | 13-16 09/12/2016 | Pledge of promissory notes issued by CJSC RTI Microelectronics to PJSC VTB Bank | PJSC VTB Bank | RUB 7,100,000,000.00 | JSC Sistema Finance, V. Evtushenkov, S. Boev, F. Evtushenkov, S. Shishkin. |

President of Sistema PJSFC

M. Shamolin