

Resolution to recognize as an independent director a Board member whose tenure on the Board of Directors exceeds 7 years

Date of the meeting of the Board of Directors

24 June 2017

Details of the minutes of the Board meeting

Minutes No.07-16, dated 26 June 2017

Quorum for the meeting

10 members of the Board of Directors took part in the meeting, which amounts to 91% of the total number of elected members

Content of the resolution of the Board of Directors

1. Assign the status of an independent director to the following members of the Board of Directors of Sistema PJSFC:

Roger Munnings

2. Take note that the tenure of the members of the Board of Directors of Sistema PJSFC (hereinafter referred to as the "Corporation") Robert Kocharyan (hereinafter referred to as R. Kocharyan) and Roger Munnings (hereinafter referred to as R. Munnings) as members of Sistema's Board of Directors exceeds 7 (seven) years.

3. Take note that the resolution to confirm R. Munnings as an independent director is based on the following:

3.1. R. Munnings complies with the criteria of independence of board members set out in Annexes 4 and 4.1 of the Listing Rules of the Moscow Exchange and the Corporate Governance Code recommended by the Central Bank of Russia. R. Munnings is not affiliated with the Corporation's material shareholder, the Corporation's material counterparty or competitor, or the government, and is also not affiliated with the Corporation, except for his tenure as a member of the Board of Directors of Sistema PJSFC.

3.2. R. Munnings has no contractual obligations with the Corporation, is party to no transactions performed by the Corporation and/or any persons/entities controlling the Corporation or controlled by the Corporation, takes no part in such transactions, and provides no advisory services to the Corporation and/or any persons/entities controlling the Corporation or controlled by the Corporation.

3.3. R. Munnings receives no monetary or non-monetary rewards from the Corporation and/or any persons/entities controlling the Corporation or controlled by the Corporation, except pursuant to Policy on Remuneration and Compensations payable to members of the Board of Directors of Sistema PJSFC.

3.4. R. Munnings neither owns nor controls any material equity interest in Sistema PJSFC.

3.5. R. Munnings is well aware of the Corporation's activities and is an active participant in the process of challenging the management's proposals and initiatives regarding the development strategy and investment activities of Sistema PJSFC.

3.6. R. Munnings evaluates the activities of the Company's management critically and impartially, and does not further the interests of the management and/or any shareholders or groups of shareholders of Sistema PJSFC. Mr. Munning's work as a member of Sistema's Board of Directors serves the long-term interests of the Corporation and all of its shareholders.

3.7. Mr. Munning's record with the Board of Directors and Board Committees of Sistema PJSFC shows that his objective and independent judgements on the matters discussed at the Board and Committee meetings are based on his extensive professional experience and vast knowledge in the field of audit and finance. experience and vast knowledge of strategic management.

Voting results

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| V. Evtushenkov | - IN FAVOR, |
| A. Belova | - IN FAVOR, |
| S. Boev | - IN FAVOR, |
| A. Dubovskov | - IN FAVOR, |
| F. Evtushenkov | - IN FAVOR, |
| R. Kocharyan | - IN FAVOR, |
| J. Krecké | - IN FAVOR, |
| R. Munnings | - IN FAVOR, |
| M. Shamolin | - IN FAVOR, |
| D. Iakobachvili | - IN FAVOR. |