

# **Decision to recognize Roger Munnings as an independent director**

## **Date of the Board of Directors meeting**

30 June 2018

## **Date and number of the minutes of the Board of Directors meeting**

02 July 2018, Minutes No 07-18

## **Quorum for the Board of Directors meeting**

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

## **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 Llewelyn Munnings

<...>

2. Take note, when determining the status of the members of the Board of Directors of Sistema PJSFC (hereinafter, "the Corporation"), that <...> R. Munnings <...> has formal criteria of affiliation with Sistema PJSFC as his tenure as a member of Sistema's Board of Directors exceeds 7 (seven) years.

3. Take note that the decision to recognise 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 Annex 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 substantial shareholder, the Corporation's substantial counterparty or competitor, or the state, and is also not affiliated with the Corporation, except for his tenure as a member of Sistema's Board of Directors, which amounts to 8 (eight) years.

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. Shares of the Corporation held by R. Munnings represent less than 1 (one) % of the authorised capital of Sistema PJSFC, and their total market value does not exceed the threshold set by the criteria of independence of board members.

3.5. R. Munnings makes objective and independent judgements, evaluates the activities of the Corporation's management critically and impartially, and does not represent the interests of the management or any shareholders or groups of shareholders of Sistema PJSFC. R. Munnings's work as a member of Sistema's Board of Directors serves the long-term interests of the Corporation and all of its shareholders.

3.6. R. Munnings's extensive professional experience and vast knowledge in the area of audit and finance are crucial for the efficient work of the Corporation's Board and Board Committees. R. Munnings is well aware of the Corporation's activities and is an active participant in the process of challenging the management's proposals for the development strategy and investment activities of Sistema PJSFC.

#### **Voting results**

V. Evtushenkov	- FOR,
A. Belova	- FOR,
S. Boev	- FOR,
A. Dubovskov	- FOR,
F. Evtushenkov	- FOR,
R. Sommer	- FOR,
R. Kocharyan	- FOR,
J. Krecké	- FOR,
R. Munnings	- FOR,
D. Iakobachvili	- FOR.