

# **Resolution to recognise Jeannot Krecké as an independent director**

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

29 June 2019

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

01 July 2019, Minutes No 07-19

## **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:

<...>

Jean Pierre Jeannot Krecké

<...>

4. Recognise the members of the Board of Directors of Sistema PJSFC (hereinafter, "the Corporation") <...> J. Krecké <...> as independent directors despite their having formal criteria of affiliation with Sistema PJSFC as their tenure as members of Sistema's Board of Directors exceeds 7 (seven) years.

<...>

6. Recognise Jean Pierre Jeannot Krecké as an independent director despite his having formal criteria of affiliation with Sistema, since his tenure as member of Sistema's Board of Directors exceeds 7 (seven) years, based on the following:

6.1. Analysis of Mr Krecké's compliance with the requirements to independent directors established by the Listing Rules of the Moscow Exchange and the Corporate Governance Code recommended by the Central Bank of Russia shows that he is not affiliated with Sistema's substantial shareholder, substantial counterparty or competitor, and the state, and is also not affiliated with the Corporation, except for his tenure as a member of the Board of Directors of Sistema PJSFC, which is 7 (seven) years.

6.2. Mr Krecké 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.

6.3. Mr Krecké receives no monetary or non-monetary rewards from the Corporation and/or any persons/entities controlling the Corporation or controlled by the Corporation, except for remuneration and compensations payable for his work on the board of directors.

6.4. Mr Krecké neither owns nor controls any material equity interest in the Corporation. Shares of the Corporation held by Mr Krecké 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.

6.5. The fact that Mr Krecké's tenure on Sistema's Board of Directors exceeds 7 (seven) years does not prevent him from making independent judgements in his capacity as a Board member of Sistema PJSFC.

6.6. Based on Mr Krecké's record with the Corporation's Board of Directors and Board Committees, Mr Krecké's stance on the matters discussed at board and committee meetings is based solely on his professional experience and knowledge and is invariably unbiased, unaided, objective and independent from the opinions of any other persons. Mr Krecké does not represent the interests of Sistema's management, whose activities he evaluates critically and impartially, or of any shareholders or group of shareholders of Sistema PJSFC. Mr Krecké's work as a member of Sistema's Board of Directors serves the interests of the Corporation and its shareholders.

6.7. Mr Krecké's extensive professional experience, including as independent director at a number of big foreign companies, and his vast knowledge in the area of strategic planning, audit and finance are crucial for the efficient work of the Corporation's Board and Board Committees. Mr Krecké actively participates in the discussion of items reviewed by Sistema's Board and Board Committees and expresses his independent opinion, significantly contributing to shaping decisions taken by these bodies.

### **Voting results**

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