

Resolution to recognise Robert Kocharyan 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:

<...>

Robert Kocharyan

<...>

4. Recognise the members of the Board of Directors of Sistema PJSFC (hereinafter, "the Corporation") R. Kocharyan <...> 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.

<...>

5. Recognise Robert Kocharyan 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:

5.1. Analysis of Mr Kocharyan'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 10 (ten) years.

5.2. Mr Kocharyan 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.

5.3. Mr Kocharyan 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.

5.4. Mr Kocharyan neither owns nor controls any material equity interest in the Corporation. Shares of the Corporation held by R. Kocharyan 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.

5.5. The fact that Mr Kocharyan'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.

5.6. Based on Mr Kocharyan's record with Sistema's Board of Directors and Board Committees, Mr Kocharyan's stance on 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 opinions of any other persons. Mr Kocharyan 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 Kocharyan's work as a member of Sistema's Board of Directors serves the interests of the Corporation and its shareholders.

5.7. Mr Kocharyan's extensive professional experience and vast knowledge in the area of strategic planning and corporate governance are crucial for the efficient work of the Corporation's Board and Board Committees, including the Nomination, Remuneration and Corporate Governance Committee, which he chairs. Mr Kocharyan 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.