


**TERMS OF REFERENCE
OF THE CORPORATE SECRETARY
SISTEMA PJSFC**



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 АКЦИОНЕРНАЯ ФИНАНСОВАЯ КОРПОРАЦИЯ СИСТЕМА	Terms of Reference of the Corporate Secretary of Sistema PJSFC	Public Document
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1. DOCUMENT PROFILE

1.1. Purpose of the document

These Terms of Reference determine the status, responsibility, goals, objectives and functions, rights and office structure of the Corporate Secretary of Sistema PJSFC (hereinafter – “CS”) and also describe the relationship of the CS with third-party organisations, and subsidiaries, affiliates and units of Sistema PJSFC.

1.2. Access and frequency of revisions

Type of document:	Terms of Reference of a subdivision		
Summary:	Terms of Reference of the Corporate Secretary of Sistema PJSFC		
Maximum frequency of revision:	5 years	Minimum frequency of revision:	1 year
Access:	Public Document		

1.3. Control over the versions of the document

Version No.	Date of version	Drafted by: job title	Drafted by: name	Summary of amendments
1	14.02.2004	Corporate Secretary	A. Semyonov	Creation of the document
2	25.08.2014	Corporate Secretary	I. Petrov	Update due to changes in the Corporate Governance Code and reform of listing rules
3	07.08.2017	Corporate Secretary	I. Petrov	Update due to requirements of trade organisers

2. GENERAL PROVISIONS

2.1. Reporting lines and the office of the Corporate Secretary

The Corporate Secretary is an executive of Sistema PJSFC (hereinafter – the “Corporation”). His/her activities are supported by a dedicated office.

The Corporate Secretary shall be appointed and dismissed by the Board of Directors of the Corporation. The Corporate Secretary is the company's employee, appointed by an order of the President of the Corporation to the respective position in the Corporation's staffing schedule. The employment agreement with the Corporate Secretary shall be signed for an indefinite term.

The Corporate Secretary shall report to the Chairman of the Corporation's Board of Directors (functionally) and to the President of the Corporation (administratively).

The Corporate Secretary shall use the Corporation's letterhead and shall be entitled to act on behalf of the Corporation and represent its interests within his/her scope of authority by virtue of a power of attorney.

The structure and headcount of the office reporting to the Corporate Secretary shall be determined by an order issued by the President of the Corporation.

2.2. Requirements to candidates to the position of the Corporate Secretary

Candidates to the position of the Corporate Secretary shall meet the following requirements:

- Higher education;
- Total job experience: 5 years;
- Relevant job experience: 3 years;
- Knowledge of company law, requirements of trade organisers and best practices of corporate governance;
- Negotiating skills;
- No criminal record or disqualification.

2.3. Goals

The Corporate Secretary shall pursue the following goals:

- Support and develop the corporate governance system of Sistema PJSC;
- Ensure operation of the corporate governance bodies of the Corporation;
- Maintain contact with the shareholders and ensure protection of the rights and legitimate interests of all the shareholders of the Corporation;
- Ensure compliance of the Corporation with the requirements to a public company, liaison with the trade organisers in the securities market, depositories and registrars;
- Assist with the achievement of the Corporation's strategic goals in the most efficient ways possible.

2.4. Regulating documents

The activities of the Corporate Secretary shall be governed by the laws of the Russian Federation, the Charter of the Corporation, resolutions of the General Meeting of Shareholders, Board of Directors, Board Committees, the President and the Management Board of the Corporation, other regulatory documents, rules and procedures established at the Corporation, and these Terms of Reference.

The activities of the Corporate Secretary shall also be governed by the Corporate Governance Code approved by the Board of Directors of Russian Central Bank, the British Code of Corporate Conduct and other documents that contain guidelines in accordance with best international practices of corporate governance.

3. KEY OBJECTIVES

The key objectives of the Corporate Secretary are:

- to prepare and hold General Meetings of Shareholders;
- to organise interactions between the Corporation and its shareholders;
- to prepare and hold meetings of Sistema's Board of Directors and its Committees;
- to interact with the members of the Board of Directors between the meetings in order to fully utilise their potential;

- to organise compliance of the Corporation with the requirements to a public company, liaison with the trade organisers at the securities market, depositories and registrars;
- to draft and keep updated the internal documents of the Corporation that regulate the corporate governance system;
- to organise the procedures aimed at appraising the quality of corporate governance and developing the corporate governance system at the Corporation;
- to assist with the development of corporate governance systems at the companies within Sistema Group.

4. KEY FUNCTIONS

In order to accomplish his/her key objectives, the Corporate Secretary shall perform the following functions:

4.1. In respect of General Meetings of Shareholders and interactions with the shareholders:

- prepare and hold the Annual General Meeting of the shareholders of the Corporation;
- prepare and hold the Extraordinary General Meetings of the shareholders of the Corporation;
- receive and process messages and suggestions from the shareholders concerning the agenda and the resolutions of General Meetings of Shareholders;
- interact with the teller commission, registrar and depositories to organise the voting of shareholders and payment of dividends;
- participate in interactions with the shareholders of the Corporation with the aim of enhancing the appeal of the securities of the Corporation;
- ensure interactions of the issuer with its shareholders and participate in preventing corporate conflicts;
- ensure execution of the procedures prescribed by law and the internal documents of the Corporation that provide for exercise of the rights and legitimate interests of shareholders and control over performance thereof.

4.2. In respect of the work of the Board of Directors and its Committees:

- plan meetings of the Board of Directors and its Committees;
- prepare and conduct meetings of the Board of Directors of the Corporation and its Committees (supporting the work of the Board of Directors and its Committees);
- document the resolutions of the Board of Directors of the Corporation, and control execution thereof;
- organise formalisation of the resolutions of the Committees of the Board of Directors of the Corporation;
- draw up and store documents of the Board of Directors in accordance with the Terms of Reference of the Board of Directors;

- interact with the members of the Board of Directors between the meetings in order to fully utilise their potential;
- provide members of the Board of Directors of the Corporation with the resources and the expertise required to perform their functions.

4.3. In respect of compliance and internal regulations:

- draft and keep updated the internal documents of the Corporation that regulate the corporate governance system;
- implement the Corporation's policy on disclosure of information, and ensure storage of corporate documents;
- implement the Corporation's policy on restricting the use of inside information and work with insiders;
- aid the Corporation's interaction with securities market regulators, trade organisers in the securities market, depositories, registrars and other securities market professionals;
- immediately notify the Corporation's Board of Directors of any identified breaches of the legislation or internal regulations of the Corporation, compliance with which is within the Corporate Secretary's remit.

4.4. In respect of development of the corporate governance system:

- participate in improvement of the corporate governance system and practices of the Corporation;
- organise the procedures aimed at appraising the quality of corporate governance;
- interact with the corporate secretaries of Sistema Group, assisting with the development of corporate governance systems in the companies within the Sistema Group.

5. DUTIES AND RESPONSIBILITIES

The Corporate Secretary shall bear the following responsibilities:

- prompt and high-quality performance of the key objectives and functions assigned to the CS;
- distributing the roles among subordinate employees in accordance with their professional skills and qualifications;
- organising efficient interaction of his/her office with other units of the Corporation.

The Corporate Secretary shall:

- perform his functions reasonably and in good faith, guided by the Russian law, and the Corporation's Charter and internal regulations;
- ensure that the Corporation's activities comply with the requirements of trade organisers;
- take measures necessary to ensure observation of the rights and legitimate interests of the Corporation's shareholders;

- immediately notify the Corporation's Board of Directors of any events he becomes aware of that violate or may violate the rights of the shareholders, the resolutions of the Corporation's Board of Directors, provisions of applicable legislation, the Corporation's charter or internal regulations or that may result in a corporate conflict;
- make sure that transactions with the Corporation's securities comply with the Russian law;
- initiate measures to improve corporate governance at the Corporation and S/As;
- strictly comply with confidentiality requirements with regard to information about the Corporation's activities that he becomes aware of while performing his functions, if it is not publicly available and access to it is restricted in accordance with Russian law and the Corporation's internal regulations; comply with restrictions related to the treatment of the Corporation's inside information;
- immediately notify the Chairman of the Corporation's Board of Directors if a conflict of interest arises;
- regularly improve his professional skills, maintain regular professional contacts with corporate secretaries of the Corporation's S/As and the professional community of corporate secretaries."

6. RIGHTS

As part of fulfilling the CS's functions and objectives in accordance with applicable laws and internal regulations of the Corporation, the CS (and the employees of the CS's office, if any), shall have the right:

- to request and receive from the employees of the Corporation and S/As any information necessary for fulfilment of their job responsibilities, including confidential information (in line with the existing policies and procedures); to request and obtain free access to any documents, and to make and receive copies of documents;
- to receive sufficient and complete explanations and clarifications, in oral and/or written form, from any employees and heads of subdivisions of the Corporations and S/As on the matters submitted for review to the governance bodies of the Corporation;
- to represent the Company in any organisations on the matters falling within the remit of the CS when commissioned by the senior management (subject to approval by the senior management of the Corporation);
- to engage, on a long-term basis, consulting firms and other firms and experts in order to perform his/her functions and objectives, including provision of resources and expertise to the members of the Board of Directors of the Corporation (in line with applicable rules and procedures);
- to gain access to the information resources of the Corporation which are required for fulfilment of their functions;
- to interact with other units of the Corporation in accordance with the internal regulations.

The CS has the right:

- to initiate the establishment of focus groups and standing committees for accomplishment of the objectives assigned to the CS;
- to distribute work loads among the subordinates according to their qualifications and job responsibilities, and give them additional assignments necessary to perform the functions of the CS.

7. SUPERVISION

The CS's activities shall be supervised by the Chairman of the Board of Directors of the Corporation and the Deputy Chairman of the Board of Directors of the Corporation. Administrative control of the CS's activities shall be effected by the President of the Corporation.

The Security and IT Department shall control access rights to the information systems used by the CS and the employees of his/her office.

The HR Department shall control compliance with the Russian labour laws, approved policies and procedures regulating human resources management.

8. PERFORMANCE ASSESSMENT

The CS's performance shall be assessed by the Chairman of the Board of Directors of the Corporation and Deputy Chairman of the Board of Directors of the Corporation, in consultation with the Nomination, Remuneration and Corporate Governance Committee.

The terms and procedure of remuneration payout to the Corporate Secretary shall be determined and revised, if necessary, by the Board of Directors of the Corporation, based on recommendations from the Nomination, Remuneration and Corporate Governance Committee, and shall be included in the employment agreement between the Corporate Secretary and the Corporation. The terms and procedure of remuneration payout to the Corporate Secretary of the Corporation may be part of the general incentive plan for the employees of the Corporation approved by its Board of Directors, comprising a fixed salary and bonuses and other incentives based on the Corporation's performance in the respective calendar year or another reporting period, the procedure, the timelines, the amount and conditions of their payout to be determined by applicable internal regulations.