



SISTEMA PUBLIC JOINT STOCK FINANCIAL CORPORATION

Annual General Meeting of Shareholders of Sistema PJSFC, 24 June 2017, Moscow, 13/1 Mokhovaya St.

Explanatory note on item No.6 of Annual General Meeting of shareholders of Sistema PJSFC *Approval of the Company's Auditor*

Approval of the Company's auditor falls within the remit of the Annual General Meeting of shareholders of Sistema PJSFC (cl. 1 article 47 of the Federal law "On joint-stock companies", cl. 17, article 27.1 of the Company's Charter approved by the General Meeting of shareholders on 25 June 2016, Minutes No.1-16 dd 29 June 2016). The decision on this agenda item shall be taken following the proposal of the Board of Directors.

The Audit, Finance and Risk Committee of the Board of Directors of Sistema PJSFC (hereinafter – "the Committee") conducted a tender for provision of audit services. All the proposals received from tender participants were reviewed, evaluated and scored by the Committee.

Based on the results of the tender the Committee recommended ZAO Deloitte and Touche CIS for auditing the 2017 financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and Russian Accounting Standards (RAS).

On 01 April 2017, the Board of Directors of Sistema PJSFC accepted the Committee's recommendation and proposed approving ZAO Deloitte and Touche CIS as the Company's auditor for 2017.

ZAO Deloitte and Touche CIS is a Russian branch of an international audit company Deloitte Touche Tohmatsu Limited, one of the big four auditors. ZAO Deloitte and Touche CIS has extensive experience in auditing RAS and IFRS financial statements.

You can learn more about the auditor at <https://www2.deloitte.com/ru/ru.html>.