



SISTEMA
PUBLIC JOINT STOCK FINANCIAL CORPORATION

Annual General Meeting of Shareholders of Sistema PJSFC on 29 June 2019

**Explanatory note
on item No.5
of Annual General Meeting of shareholders of Sistema PJSFC
"Approval of the Auditor of Sistema PJSFC"**

Approval of the Company's auditor falls within the remit of the Annual General Meeting of shareholders of Sistema PJSFC (Article 47 cl. 1 of the Federal Law "On Joint-Stock Companies", Article 27.1 cl. 17 of the Company's Charter (as amended) approved by the General Meeting of shareholders of Sistema PJSFC on 24 June 2017, Minutes No.1-17 dd 28 June 2017). The decision on this agenda item shall be taken following the proposal of the Board of Directors.

Based on the results of the tender for provision of audit services and the assessment of the auditor's work, the Audit, Finance and Risk Committee of the Board of Directors of Sistema PJSFC (hereinafter, "the Committee") recommended JSC Deloitte and Touche CIS for auditing the 2019 financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and Russian Accounting Standards (RAS).

On 17 May 2019 the Board of Directors of Sistema PJSFC accepted the Committee's recommendation and proposed approving JSC Deloitte and Touche CIS as the Company's auditor for 2019.

JSC Deloitte and Touche CIS is a part of Deloitte Touche Tohmatsu Limited, one of the four major international audit companies. JSC 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>.