



## **SISTEMA PUBLIC JOINT STOCK FINANCIAL CORPORATION**

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

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**Explanatory note  
on item No.3  
of Annual General Meeting of shareholders of Sistema PJSC**  
*Distribution of income, approval of the amount of dividends payable on Sistema's shares, form of  
the distribution, and the record date.*

In accordance with the Federal Law "On Joint-Stock Companies" it is hereby proposed that the General Meeting of shareholders approve the amount of dividends payable on the Company's shares for 2016, the form of payment and the record date. Resolution on this agenda item shall be passed following the proposal of the Board of Directors of Sistema PJSC.

According to the Dividend Policy of Sistema PJSC approved by the Board of Directors on 1 April 2017 (hereinafter – the "Policy"), the amount of dividends recommended by the Board of Directors for each reporting year will be the higher of either an amount equivalent to a dividend yield of at least 6%, or RUB 1.19 per ordinary share of Sistema PJSC. Dividend yield is defined as the amount of dividends paid at the end of a reporting period per one ordinary share divided by the weighted average price of such share in the reporting period. The Company aims to pay dividends twice a year: for nine months and for a full year.

The total dividend for 2016 will amount to RUB 1.19 per one ordinary share of Sistema PJSC. In 2016 the weighted average price of one share traded on the Moscow Exchange was RUB 19.375. The Company has paid dividends for the first half of 2016 in the amount of RUB 0.38 per one ordinary share of Sistema PJSC. Therefore, the proposed total amount of dividend for FY 2016 is RUB 0.81 per one ordinary share of Sistema PJSC. The Board of Directors took the decision to recommend that the General Meeting of shareholders of Sistema PJSC approve distributing RUB 7,816,500,000.00 in dividends for FY 2016.

It is hereby proposed that the General Meeting of shareholders approve 13 July 2017 as the record date for the purpose of determining the shareholders entitled to dividends. In this case dividends will be paid before 23 July 2017.