



OPEN JOINT-STOCK COMPANY
JOINT-STOCK FINANCIAL CORPORATION
SISTEMA

Extraordinary General Meeting of the shareholders of Sistema JSFC,
01 November 2012, Moscow

EXPLANATORY NOTE

**to the materials of the Extraordinary General Meeting of the Sistema shareholders
on the item 'Introduction of amendments to the Charter of Open Joint-Stock Company Joint-
Stock Financial Corporation Sistema'**

In accordance with the Federal Law 'On Joint-Stock Companies' the General Meeting of Shareholders is authorized to make amendments to the Charter of the Company or to approve the revised Charter of the Company. The decision on this agenda item shall be taken by the qualified majority of $\frac{3}{4}$ (three quarters) of the votes of the shareholders - the owners of the Company's voting shares taking part in the General Meeting of Shareholders.

It is proposed that the General Meeting of Shareholders takes the decision to make amendments to the Charter of the Company with respect to determining the number of the authorized shares of the Company and the rights granted by such shares in the event of their issue. Authorized shares are the shares that the Company can issue in addition to the outstanding shares of the Company. At the same time, in accordance with the Company's Charter, the Board of Directors of the Company is entitled to take the decision unanimously, with the exception of the votes of former Board members, on increasing the authorized capital of the Company by issuing new shares whose number should not exceed the number of authorized shares determined in the Company's Charter.

The amendments to the Company's Charter submitted for the approval of the General Meeting of Shareholders imply that the Company will have a right to issue, in addition to the outstanding ordinary registered shares, 386, 000, 000 ordinary registered shares with the nominal value of RUR 0.09 each, which amounts to 4% of the current size of the Company's authorized capital. After the issue the authorized shares shall carry the same amount of rights that the outstanding ordinary registered shares of the Company.