



SISTEMA PUBLIC JOINT STOCK FINANCIAL CORPORATION

Annual General Meeting of Shareholders of Sistema PJSFC
26 June 2021

**Explanatory note
on item No 5
of the Annual General Meeting of shareholders of Sistema PJSFC
“Approval of the new version of the Policy on Remuneration and Compensations for
Members of the Board of Directors of Sistema PJSFC”**

In accordance with the Federal Law "On Joint-Stock Companies", the Board of Directors of Sistema PJSFC (hereinafter, "the Company") took the decision to include in the agenda of the Annual General Meeting of shareholders an item on approval of the new version of the Policy on Remuneration and Compensations for Members of the Board of Directors of Sistema PJSFC (hereinafter, "the Policy").

Since the approval of the current version of the Policy in 2019 the scope of responsibilities of the Deputy Chair of the Board of Directors has significantly broadened. In addition to the general administration of the activities of the Board and its Committees, the scope of work includes profound involvement in the matters of the Company's strategic development, including the improvement of the corporate governance system both at the Company and across Sistema Group, which means interacting with the boards of portfolio companies and working on the evolution of the management incentive system, enhancing the Company's risk management and investment decision-making systems.

Due to the expansion of the tasks falling within the remit of the Deputy Chair of the Board of Directors, the new version of the Policy provides for increasing the amount of additional remuneration payable to the Deputy Chair of the Board of Directors of the Corporation up to RUB 280,000.00 per quarter.

Other amendments to the Policy include revision of some terms (the term "Subsidiaries" was replaced with the term "Sistema Group companies") and correction of some misprints.