



SISTEMA
PUBLIC JOINT STOCK FINANCIAL CORPORATION

Annual General Meeting of Shareholders of Sistema PJSFC
on 12 August 2022

**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”).

The new version of the Policy introduces the same amount of the basic remuneration for participation in the work of the Board of Directors for all members of the Board of Directors of the Company, regardless of their status as a tax resident or non-resident of the Russian Federation. The Policy also introduces additional remuneration to be accrued and paid by a decision of the General Meeting of Shareholders instead of additional remuneration linked to the growth of the Company’s market capitalisation in the calendar year. The Policy abolishes additional payments for performing the functions of the deputy chair of the Board of Directors and chairs of committees of the Board of Directors and fixed compensations for participation in meetings of the Board of Directors and its committees.