



SISTEMA
PUBLIC JOINT STOCK FINANCIAL CORPORATION

Annual General Meeting of Shareholders of Sistema PJSFC on 27 June 2020

Supplementary disclosure with regard to item 6 of the agenda of the General Meeting of Shareholders of Sistema PJSFC

In corporate year 2019-2020, independent director A. Belova was Deputy Chair of the Board of Directors of Sistema PJSFC (hereinafter, "Sistema" or "the Corporation"). The Deputy Chair's duties include general administration of the activities of the Board and its Committees as well as profound involvement in matters of the Corporation's strategic development, including the improvement of the corporate governance system both at the Corporate Centre and across the Group, which means interacting with the boards of portfolio companies and working on the evolution of the management incentive system, Sistema's strategic transformation, and the advancement of the Corporation's risk management and investment decision-making systems. For an independent director, involvement in such a broad scope of activities means at least a double workload.

Therefore, it being considered necessary for the Deputy Chair of the Board to receive adequate compensation for her additional workload, the Board of Directors, in observance of cl.2 of art.64 of Federal Law *On Joint-Stock Companies* and subcl. 4 of cl.27.1 of the Charter of Sistema PJSFC, proposed that the General Meeting of Shareholders consider paying an additional remuneration to A. Belova for her work as Deputy Chair of the Board of Directors of Sistema PJSFC in corporate year 2019-2020 to a total of RUB 17,800,000, which equals Mrs Belova's base annual remuneration in accordance with the Policy on Remuneration and Compensations for Members of the Board of Directors. If the practice of electing an independent director as Deputy Chair of the Board of Directors continues, the Corporation intends to update the Policy on Remuneration and Compensations for Members of the Board of Directors to include the rules for the calculation of the additional compensation payable to the Deputy Chair of the Board of Directors.

If the General Meeting of Sistema's shareholders decides in favour of paying the said remuneration to independent director A. Belova, such payment shall be postponed until 2021 in accordance with Mrs Belova's written request. The payment of the said remuneration shall have no effect on Mrs Belova's status as an independent director in accordance with regulatory and exchange requirements.