



OPEN JOINT-STOCK COMPANY
JOINT-STOCK FINANCIAL CORPORATION
SISTEMA

Annual General Meeting of the Sistema JSFC shareholders, 27 June 2015,
Moscow, 13.1 Mokhovaya str., Room 101.

**Explanatory note
to the materials of the Annual General Meeting of Sistema JSFC shareholders
on agenda item 9:
“Approval of the new version of the
Policy on Remuneration and Compensations for
Members of the Board of Directors of Sistema JSFC”**

It is proposed that the General Meeting of Shareholders approve the new version of the Policy on Remuneration and Compensations for Members of the Board of Directors of Sistema JSFC (“the Document”). Compared to the version in effect, the Document is to be amended as follows:

- (1) All sums are to be converted into Russian roubles.
- (2) The principal (fixed) remuneration for work with the Board of Directors is payable quarterly in equal shares in cash.
- (3) The variable portion of the remuneration for work with the Board of Directors is payable in shares of Sistema JSFC. The payout is conditioned on the total shareholder return and the internal total shareholder return being equal to or greater than the cost of equity of the Corporation. In case of market volatility and the Russian issuer index fluctuation the payout may be tied to the total shareholder return being equal to or greater than the change in the MSCI index with the internal shareholder return being equal to or greater than the cost of equity of the Corporation.

All other elements of remunerations and compensations payable to the members of the Board of Directors of Sistema JSFC remain unaffected.

If the General Meeting approves the new version of the Document, it will take effect with regard to the remunerations and compensations payable to the members of the Board elected at the General Meeting on 27 June 2015.