

# Minutes

of the

Annual General Meeting of Shareholders (the "AGM") of

X5 Retail Group N.V.  
(hereinafter: the "Company")

held on

30 June 2023 at Zuidplein 196, 1077 XV Amsterdam, The Netherlands

## 1. Opening and announcements

Mr. Peter Demchenkov, chairman of the Supervisory Board of the Company and chairman of the AGM (the "Chairman") in accordance with article 36.1 of the Articles of Association (hereinafter: the "Articles of Association" or the "Articles") of the Company, opens the AGM at 11.00 a.m. CET and welcomes (the representatives of) the shareholders present, the Management Board of the Company at the AGM.

It is recorded that the AGM was convened with due observance of all provisions set out by law and the Articles. In the convocation letter to the shareholders was stated the place, the date, the starting time and the agenda (including the explanatory notes to the agenda) of the AGM (the "Agenda").

Pursuant to the power of attorney (including the list of attendance and voting instructions) as provided by BNY Mellon (the Depository) to the Secretary (as defined below) (the "Proxy"), a total number of 67.888.697 shares were being represented at the AGM, from the total number of outstanding shares of the Company which is 67.893.218. In accordance with the Proxy, the total number of shares represented at the AGM includes 25,812,003 shares (38,02%) that can be voted at the discretion of the Company.

As the AGM has been convened in accordance with the Articles, and the quorum as mentioned in Article 39.1 of the Articles is represented, valid resolutions can be passed by the general meeting of shareholders (the "General Meeting").

Mr. Frank Lhoëst is appointed secretary at this AGM (the "Secretary") and represents the Management Board holding the Proxy to vote on behalf of the shareholders in accordance with the voting instructions received from BNY Mellon.

## 2. Report of the Management Board for the financial year 2022

The Chief Executive Officer provides the General Meeting with an overview of the activities and of the performance of the Company during the financial year 2022, with emphasis on the challenging circumstances since, and resulting from, geopolitical events unfolding from February 2022.

## 3A. Remuneration Report (voting item)

The Chairman reports that the Remuneration Report has been prepared in accordance with the statutory requirements. Pursuant to Dutch law, the 2022 remuneration report is submitted to the General Meeting for an advisory vote. The General Meeting is asked to vote as to whether the Remuneration Report is clear and understandable.

The Secretary states that 59,699,985 votes (88.00%) are in favour of this proposal, 8,141,669 votes (12.00%) are against and 47,043 votes abstained. The Chairman states that the voting result and any further feedback from shareholders will be taken into account in the Company's remuneration policies and upcoming remuneration report for the year 2023.

### **3B. Explanation that there is no independent auditor's report due to force majeure, i.e. suspension of work by the external auditor**

On 17 March 2023 the Group released its 2022 audited consolidated financial statements together with the audit report issued by TSATR – Audit Services LLC ('B1'). In February 2023 the Supervisory Board, in accordance with the authority delegated by the Company's General Meeting of Shareholders, appointed Reanda Audit & Assurance B.V. as its external group auditor in the Netherlands, to audit the Company's 2022 consolidated and company financial statements (the '2022 Financial Statements', as part of the 2022 Annual Report). During the audit of the 2022 Financial Statements the Dutch auditor indicated that more time is required to consider the impact of the current geopolitical situation and relevant regulations and restrictions imposed by Russian and European governments, on its audit opinion.

While the Group believes that there are no circumstances preventing the issuance of the auditor's report and extensive documentation and explanations were provided to Reanda, the analysis performed by the auditors is still ongoing. Therefore, pending Reanda's internal analysis regarding its ability to issue the required auditor's report, X5 has decided to submit to shareholders the 2022 Annual Report including the 2022 Financial Statements, albeit without auditor's report, for adoption by the General Meeting under item 3C hereof. We believe this to be in line with the level of transparency that shareholders expect from X5.

### **3C. Adoption of the 2022 Financial Statements without the independent auditor's report (voting item)**

The Financial Statements for the financial year 2022 (the "Financial Statements"), as included in the 2022 Annual Report (the "Annual Report"), were presented to the General Meeting by the Management Board, in accordance with clause 27.2 of the Articles of the Company. Taking into account the circumstances explained under item 3B hereof, it is proposed to the General Meeting to adopt the Financial Statements.

The Secretary states that 58,866,835 votes (87.69%) are in favour of this proposal, 8,267,363 votes (12.31%) are against and 754,498 votes abstained. The Chairman establishes that the General Meeting does not require additional information and concludes that the Financial Statements, without the independent auditor's report, are therefore adopted by the General Meeting.

### **3E. Dividend policy and allocation of profits over the financial year 2022 to the retained earnings**

Under its 2020 dividend policy the Company intends to pay a full year dividend per share that will be stable or growing over time, provided the Company's financial position allows for it. When considering a proposal to pay dividends, the Supervisory Board shall be guided by a target consolidated net debt / EBITDA ratio of below 2.0x as per the end of the year for which the dividend is being proposed, taking into account considerations including but not limited to the Company's growth profile, capital requirements and return on capital.

In view of the current market conditions, ongoing regulatory constraints, and consistent with last year's profit allocation, the Supervisory Board recommends to the General Meeting not to distribute a dividend for 2022, and add 100% of net profit in the amount of RUB 45,188 million to the Company's retained

earnings. This recommendation is based on various factors, including the need to strengthen the Company's focus on supporting customers and suppliers to maintain a stable supply chain and keep store shelves sufficiently stocked. The Supervisory Board believes that meeting these priorities will require financial resources, and that all Company stakeholders will benefit in the long term from X5 strengthening its reputation as a reliable partner for both customers and suppliers. While the Company remains committed to its long-term goal of returning company profits to shareholders, the Supervisory Board believes it is in the Company's best interest to temporarily deviate from its dividend policy as long as current uncertainties and regulatory conditions prevail.

The Chairman puts the proposal into discussion and concludes that all shareholders unanimously voted in favour of this proposal (with 37,596 abstained votes). The General Meeting therefore adopts the allocation of profits over the financial year 2022 to the retained earnings.

#### **4A. Discharge from liability of the members of the Management Board (voting item)**

It is proposed to the General Meeting to discharge the Management Board members in office in 2022 from all liability in relation to the exercise of their duties in the financial year 2022, to the extent that such exercise is apparent from the Annual Report or has otherwise been disclosed to the General Meeting prior to the adoption of the Financial Statements.

The Secretary states that 67,653,849 votes (99.81%) are in favour of this proposal, 131,198 votes (0.19%) are against and 103,649 votes abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Management Board from liability.

#### **4B. Discharge from liability of the members of the Supervisory Board (voting item)**

It is proposed to the General Meeting to discharge the Supervisory Board members in office in 2022 from all liability in relation to the exercise of their duties in the financial year 2022, to the extent that such exercise is apparent from the Annual Report or has otherwise been disclosed to the General Meeting prior to the adoption of the Financial Statements.

The Secretary states that 66,806,443 votes (99.63%) are in favour of this proposal, 249,488 votes (0.37%) are against and 832,765 votes abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Supervisory Board from liability.

### **5. Composition of the Management Board:**

#### **5A. Re-appointment of Igor Shekhterman as member of the Management Board (voting item)**

The Supervisory Board proposes to re-appoint Igor Shekhterman as member of the Management Board with the title of CEO for another two-year period ending on the day of the annual general meeting of shareholders to be held in 2025.

Igor Shekhterman (9 November 1970), a Russian citizen, was appointed as member of the Management Board and CEO in 2015, having previously served on X5's Supervisory Board from 2013 until 2015. The Supervisory Board proposes to re-appoint Igor Shekhterman in view of his experience, his leadership skills and the way he fulfills his role as CEO in turbulent times.

The main elements of Igor Shekhterman's contract are reflected in a separate annex to the convocation which was forwarded to GDR holders by the Depositary through the usual electronic voting channels, and which was also deposited for inspection at the Company's offices in Amsterdam, The Netherlands.

The Secretary states that 66,806,443 votes (99.9997%) are in favour of this proposal, 215 votes (0.0003%) are against and 37596 votes abstained, whereupon the Chairman confirms that the General Meeting re-appoints Mr. Shektherman as member of the Management Board of the Company as of the date of this meeting for a two-year period ending on the day of the annual general meeting of shareholders to be held in 2025, in accordance with article 12.4 of the Articles of Association.

#### **5B. Re-appointment of Frank Lhoëst as member of the Management Board (voting item)**

The Supervisory Board proposes to re-appoint Frank Lhoëst as member of the Management Board and Company Secretary for a two-year period ending on the day of the annual general meeting of shareholders to be held in 2025.

Frank Lhoëst (9 March 1962), a Dutch national, was appointed as Company Secretary and member of the Management Board of X5 on 5 November 2007, and re-appointed in 2011, 2015 and 2019. The Supervisory Board proposes to re-appoint Frank Lhoest in view of his experience and the way he fulfills his role as Company Secretary and member of the Management Board. Frank Lhoëst holds a degree in law at Leiden University, the Netherlands.

The main elements of Frank Lhoëst's contract are reflected in a separate annex to the convocation which was forwarded to GDR holders by the Depositary through the usual electronic voting channels, and which was also be deposited for inspection at the Company's offices in Amsterdam, The Netherlands.

The Secretary states that 66,806,443 votes (99.9997%) are in favour of this proposal, 215 votes (0.0003%) are against and 37596 votes abstained, whereupon the Chairman confirms that the General Meeting re-appoints Mr. Lhoëst as member of the Management Board of the Company as of the date of this meeting for a two-year period ending on the day of the annual general meeting of shareholders to be held in 2025, in accordance with article 12.4 of the Articles of Association.

#### **5C. Re-appointment of Quinten Peer as member of the Management Board (voting item)**

The Supervisory Board proposes to re-appoint Quinten Peer as member of the Management Board and Chief Operating Officer for X5 Retail Group N.V. in Amsterdam for a two-year period ending on the day of the annual general meeting of shareholders to be held in 2025.

Quinten Peer (14 March 1974), a Dutch national, joined X5 in 2018. Quinten started his career in 2000 as a lawyer with Nauta Dutilh, one the major law firms in the Netherlands, and holds a degree in law at the Dutch University of Groningen. The Supervisory Board proposes to re-appoint Quinten Peer in view of the way he fulfills his role as member of the Management Board.

The main elements of Quinten Peer's contract are reflected in a separate annex to the convocation which was forwarded to GDR holders by the Depositary through the usual electronic voting channels, and which was also be deposited for inspection at the Company's offices in Amsterdam, The Netherlands.

The Secretary states that 66,806,443 votes (99.9997%) are in favour of this proposal, 215 votes (0.0003%) are against and 37596 votes abstained, whereupon the Chairman confirms that the General Meeting re-appoints Mr. Peer as member of the Management Board of the Company as of the date of this meeting for a two-year period ending on the day of the annual general meeting of shareholders to be held in 2025, in accordance with article 12.4 of the Articles of Association.

## **6. Composition of the Supervisory Board: re-appointment of Peter Demchenkov as member of the Supervisory Board (voting item)**

The Supervisory Board proposes to appoint Petr Demchenkov for a new term ending on the day of the annual general meeting of shareholders to be held in 2025, which is the second year after the year of the re-appointment. This term is in line with the re-appointment terms as set in the Dutch Corporate Governance Code.

The Supervisory Board recommends to re-appoint Petr Demchenkov for a new term in view of his leadership qualities as chairman of the Supervisory Board, his dedication and commitment in fulfilling this role, as well as his broad experience in the FMCG industry in Russia.

The Secretary states that 59,141,843 votes (87.20%) are in favour of this proposal, 8,681,757 votes (12.80%) are against and 65,096 votes abstained. The General Meeting therefore adopts the re-appointment of Mr. Demchenkov as member of the Supervisory Board with effect per the date of this meeting for a period of two years ending on the day of the Annual General Meeting in 2025.

## **7. Remuneration of the Supervisory Board**

### **A. Annual award of Phanthom Stock Units to members of the Supervisory Board (voting item)**

For 2023, it is proposed to the General Meeting that the following members of the Supervisory Board: Peter Demchenkov, Olga Vysotskaya, Dmitry Alekseev and Vassilis Stavrou shall be awarded a number of PSUs with award date 19 May 2023, equal to their fixed base fee in 2023 divided by the average market value of a X5 GDR on the Grant Date, i.e. 19 May 2023.

Under the rules of the PSU plan, the average market value is defined as the volume weighted average price of a GDR over the thirty calendar days immediately preceding the award date. The volume weighted average price is calculated using the closing price of a GDR taken from the Official List of the Moscow Stock Exchange.

The awarded PSUs will vest on 19 May 2026. Each award is subject to forfeiture rules depending on the relevant member of the Supervisory Board's term of office during the period until the date of vesting.

The Chairman puts the proposal into discussion and concludes that 66,350,395 votes (97.79%) have been issued in favour of the proposal, 1,500,706 votes (2.21%) are against and 37,596 votes abstained, so the proposal is adopted.

### **B. Accelerated vesting of Phanthom Stock Units to Fedor Ovchinikov (voting item)**

In connection with the stepping down of Fedor Ovchinikov on 8 March 2023, the Supervisory Board proposes to approve the accelerated vesting of the first tranche of PSUs awarded of Fedor Ovchinnikov, whereby 2/3 (2993) of the award will vest and 1/3 will be forfeited in accordance with the PSU Plan Rules.

The Chairman puts the proposal into discussion and concludes that 60,741,398 votes (89.52%) have been issued in favour of the proposal, 7,109,702 votes (10.48%) are against and 37,596 votes abstained., so the proposal is adopted.

## **8. Appointment of the external auditor for the financial year 2023 and delegation of authority to the Supervisory Board (voting item)**

At the 2022 Annual General Meeting of Shareholders, following the suspension of audit services by Ernst & Young Accountants LLP (the Netherlands) in March 2022, the General Meeting delegated the authority to appoint the external auditor for the financial year 2022 to the Supervisory Board. Following termination of the engagement with Ernst & Young Accountants LLP (the Netherlands), the Supervisory Board subsequently appointed Reanda Audit & Assurance B.V. as the Company's external auditor for the financial year 2022.

For the financial year 2023 it is proposed, as per recommendation of the Audit & Risk Committee, to re-appoint TSATR - Audit Services LLC ('B1') as the Group's component auditor in Russia, and to delegate the authority to appoint the Company's external auditor in the Netherlands to the Supervisory Board.

The Chairman puts the proposal into discussion and concludes that 67,849,659 votes (99.998%) have been issued in favour of the proposal, 1,441 votes (0.002%) are against and 37,596 votes abstained., so the proposal is adopted.

## **9. Any other business and conclusion**

No other items were brought to the attention of the General Meeting.

As the Agenda contained no further issues to be deliberated, the AGM was closed.

Signed:

Peter Demchenkov  
Chairman of the AGM

Frank Lhoëst  
Secretary of the AGM

*Release date: 14 July 2023*

*In accordance with provision 4.1.10 of the Dutch Corporate Governance Code, shareholders and depositary receipt holders have the right to provide their comments to these minutes within three months after their release, i.e. until 14 October 2023. Following this, the minutes shall be adopted and signed by the Chairman and the Secretary.*