

# Minutes

of the

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

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

held on

8 May 2024 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 67,887,534 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 between the 31,458,858 and 31,464,843 shares on each agenda item 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 2023

The Secretary provides the General Meeting with an overview of the activities and of the performance of the Company during the financial year 2023.

## 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 2023 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 64,296,058 votes (94.74%) are in favour of this proposal, 3,570,746 votes (5.26%) are against and 20,730 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 2024.

### **3B. Governance: implementation of the 2022 Dutch Corporate Governance Code**

Following the Monitoring Committee Corporate Governance Code's recommendation, the implementation and compliance with the revised Dutch Corporate Governance Code, effective January 1, 2023 (referred to as the "Code"), is explained. At X5, we welcomed the modification of the Code, as they signify a commitment to enhanced corporate governance practices. The Corporate Governance report details how these changes have been adopted, underscoring our dedication to upholding the highest standards of governance and transparency.

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

On 22 March 2024 the Company released its 2023 Financial Statements, as part of the 2023 Annual Report, as follows:

1. Consolidated financial statements prepared in accordance with IFRS, audited by TSATR – Audit Services LLC ('B1'), and;
2. Consolidated and company financial statements prepared in accordance with IFRS and Part 9 Book 2 of the Dutch Civil Code, unaudited.

The auditor's report as required for the adoption of the company financial statements under article 393 Book 2 of the Dutch Civil Code is absent pending completion of the work that is yet to be conducted on the audit of the Company's 2022 Financial Statements by Reanda Audit & Assurance B.V., and their subsequent potential re-appointment as the Company's auditor for the 2023 Financial Statements.

Pursuant to Article 5n of Council Regulation (EU) 833/2014, as amended on 18 December 2023, the provision of statutory audit services to legal entities established in Russia qualify as restricted services that are allowed if provided to Russian subsidiaries of EU legal entities until 20 June 2024. Once this deadline has been reached, service providers must obtain a license before providing restricted services to X5's Russian subsidiaries. This creates uncertainty as to the timing and completion of the audit by a Dutch auditor. Therefore, pending the issue of an audit opinion by a Dutch auditor, and in view of the Company being of the opinion that the 2023 Financial Statements give a true and fair view of the financial position and results of X5 Group, the Company has decided, for transparency purposes, to submit its 2023 Annual Report to the Company's Annual General Meeting of Shareholders without auditor's report. The Company will submit its 2023 Financial Statements with the Dutch auditor's report if and when such report will be issued.

### **3D. Adoption of the 2023 Financial Statements without the independent auditor's report (voting item)**

The Financial Statements for the financial year 2023 (the "Financial Statements"), as included in the 2023 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 3C hereof, it is proposed to the General Meeting to adopt the Financial Statements.

The Secretary states that 64,010,636 votes (95.73%) are in favour of this proposal, 2,857,871 votes (4.27%) are against and 1,019,027 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 2023 to the retained earnings**

#### **1. Dividend Policy**

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 March 2022, the Supervisory Board decided to temporarily deviate from the dividend policy as a result of the prevailing geopolitical and market situation and uncertainty, and ongoing regulatory constraints. 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.

#### **2. Allocation of profits over the financial year 2023 to the retained earnings (voting item)**

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

The Chairman puts the proposal into discussion and concludes that all shareholders unanimously voted in favour of this proposal (with 14,684 abstained votes). The General Meeting therefore adopts the allocation of profits over the financial year 2023 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 each of the members of the Management Board in office in 2023 from all liability in relation to the exercise of their duties in the financial year 2023, to the extent that such exercise is apparent from the 2023 Financial Statements or other public disclosures prior to the adoption of the 2023 Financial Statements.

The Secretary states that 67,491,203 votes (99.52%) are in favour of this proposal, 321,639 votes (0.47%) are against and 74,692 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 each of the members of the Supervisory Board in office in 2023 from all liability in relation to the exercise of their duties in the financial year 2023, to the extent

that such exercise is apparent from the 2023 Financial Statements or other public disclosures prior to the adoption of the 2023 Financial Statements.

The Secretary states that 66,441,560 votes (98.14%) are in favour of this proposal, 1,261,805 votes (1.86%) are against and 184,169 votes abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Supervisory Board from liability.

#### **5. Amendment of the remuneration policy for members of the Supervisory Board (voting item)**

It is proposed to the General Meeting of Shareholders to adopt the amended remuneration policy for the Supervisory Board.

The current policy, approved by the General Meeting in November 2022, includes both cash and equity-based remuneration components. To better align the remuneration of Supervisory Board members with non-executive pay structures and levels in X5's geographic operating area, it is proposed to amend the remuneration policy to allow for cash-only compensation. The cash compensation will be set at competitive levels benchmarked within a relevant reference market of Russian companies with similar size and complexity. By removing the equity-based component, the Supervisory Board believes it enhances its independence, as remuneration will no longer be tied to the Company's performance.

If adopted, the amended remuneration policy for the Supervisory Board shall take effect as of 1 May 2024, and will apply to all payments made after that date. It will replace the existing policy in its entirety. Meanwhile, equity-based awards granted to members of the Supervisory Board since 2022 under the Company's Phantom Stock Plan will continue to vest in respectively 2025 and 2026 in accordance with the plan rules.

The Chairman puts this proposal into discussion and concludes that 67,606,608 votes (99.9997%) have been issued in favour of the proposal, 182 votes (0.0003%) are against and 280,744 votes abstained, so the proposal to adopt the amendment of the remuneration policy for members of the Supervisory Board is adopted.

#### **6. Appointment of the external auditor for the financial year 2024 and delegation of authority to the Supervisory Board (voting item)**

At the 2023 Annual General Meeting of Shareholders, the General Meeting appointed TSATR - Audit Services LLC ('B1') as the Group's external auditor of the 2023 consolidated financial statements and delegated the authority to appoint the Company's external auditor in the Netherlands to the Supervisory Board.

For the financial year 2024 it is again proposed, as per recommendation of the Audit & Risk Committee, to re-appoint TSATR - Audit Services LLC ('B1') as the Group's external auditor of the consolidated financial statements, 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 67,606,791 votes (99.61%) have been issued in favour of the proposal, 266,059 votes (0.39%) are against and 14,684 votes abstained, so the proposal is adopted.

#### **7. 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.*