



2023 Annual General Meeting of Shareholders of X5 Retail Group N.V.

The Supervisory Board and the Management Board of X5 Retail Group N.V. (the "Company" or "X5") invite the Company's shareholders (the "General Meeting") and holders of global depository receipts ("GDRs") to the Company's annual general meeting of shareholders to be held at Zuidplein 196, 1077 XV Amsterdam, The Netherlands at 11.00 am CET on 30 June 2023 (the "AGM").

Agenda

1. Opening
2. Report of the Management Board for the financial year 2022
3. Financial Statements for the financial year 2022
 - A. Remuneration Report (**advisory vote**)
 - B. Explanation of the status of the independent auditor's report
 - C. Proposal to adopt the 2022 Financial Statements without the independent auditor's report (**voting item**)
 - D. Optional: Proposal to adopt the 2022 Financial Statements with independent auditor's report should the auditor's report be received after the date of the convocation (**voting item**)
 - E. Dividend policy and allocation of profits over the financial year 2022 to the retained earnings (**voting item**)
4. Discharge
 - A. Proposal for discharge from liability of the members of the Management Board (**voting item**)
 - B. Proposal for discharge from liability of the members of the Supervisory Board (**voting item**)
5. Composition of the Management Board
 - A. Re-appointment of Igor Shekhterman as member of the Management Board (**voting item**)
 - B. Re-appointment of Frank Lhoest as member of the Management Board (**voting item**)
 - C. Re-appointment of Quinten Peer as member of the Management Board (**voting item**)
6. Composition of the Supervisory Board: re-appointment of Peter Demchenkov as member of the Supervisory Board (**voting item**)
7. Remuneration of the Supervisory Board
 - A. Annual award of Phantom Stock Units to members of the Supervisory Board (**voting item**)
 - B. Accelerated vesting of Phantom Stock Units to Fedor Ovchinikov (**voting item**)
8. Appointment of the external auditor for the financial year 2023 and delegation of authority to the Supervisory Board (**voting item**)
9. Any other business and conclusion



Record date

Persons with the right to vote and/or the right to attend the AGM are considered to be those persons who on **2 June 2023** after processing of all debit and credit entries up to and including that day (the "**Record Date**") are registered as holders of global depositary receipts ("**GDRs**") in the register of GDR holders maintained by The Bank of New York Mellon (the "**Depositary**").

The Company's annual report for the financial year 2022 (the "**2022 Annual Report**"), which includes the Company's balance sheet and profit and loss account with the explanatory notes (the "**2022 Financial Statements**"), are available on the Company's website www.x5.ru and will also be deposited for inspection by the shareholders and other persons entitled to attend the AGM at the Company's offices in Amsterdam, The Netherlands and are available free of charge.

The register of GDR holders maintained by the Depositary indicates the persons entitled to GDRs on the Record Date and entitled to give voting instructions to the Depositary pursuant to the GDR Terms and Conditions. GDR holders may instruct the Depositary with regard to the exercise of voting rights with respect to Deposited Shares (as defined in the GDR Terms and Conditions) by completing, signing and returning to the Depositary the relevant voting documentation forwarded by the Depositary to the GDR holders. The deadline for providing instructions to the Depositary will be specified by the Depositary in the information provided to GDR holders. The Depositary will procure the exercise of voting instructions received from GDR holders by the relevant deadline in accordance with the GDR Terms and Conditions and the normal processes of the Depositary.

Amsterdam, 31 May 2023

Peter Demchenkov
Chairman of the Supervisory Board

Igor Shekhterman
Chief Executive Officer



Explanatory Notes to the Agenda

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

This agenda item includes an account of the financial year 2022, including the report of the Supervisory Board.

3. Financial Statements for the financial year 2022

A. Remuneration Report (advisory vote)

This item concerns an advisory vote on the remuneration report for the financial year 2022 (Remuneration Report), which is set out on pages 137-147 of the 2022 Annual Report and also available as a stand-alone document on the Company's website. The Remuneration Report describes the 2022 implementation of the remuneration policies for each of the Management Board and the Supervisory Board. At the 2022 annual general meeting of Shareholders a positive advisory vote was cast for the Remuneration Report 2021. Meanwhile the Supervisory Board closely engaged with management on a thorough re-assessment of both the short- and long term remuneration principles and targets, which were approved by the extraordinary general meeting of Shareholders in November.

The Supervisory Board will continue to collect feedback from shareholders and other stakeholders in order to achieve maximum alignment on the Company's remuneration policies.

B. Explanation of the status of the independent auditor's report

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.

Meanwhile, the Company believes that the 2022 Financial Statements give a true and fair view of the financial position and results of the Group. Therefore, pending the issuance of Reanda's audit opinion, the Company has decided for transparency purposes to submit its 2022 Annual Report to the AGM without the auditor's report. The Company will release and submit for adoption the 2022 Annual Report with the independent auditor's report included if and when such report will be issued by the group auditor by ultimately 15 June 2023.

C. Proposal to adopt the 2022 Financial Statements without the independent auditor's report (voting item)

It is proposed to the General Meeting to adopt the 2022 Financial Statements. The 2022 Financial Statements are included in the 2022 Annual Report which is deposited for inspection by the shareholders and other persons entitled to attend the AGM at the Company's offices in Amsterdam, The Netherlands. Copies of the 2022 Annual Report are available online on the Company's website, and will also be available for inspection at the AGM.



D. Optional: Proposal to adopt the 2022 Financial Statements with independent auditor's report should the auditor's report be received after the date of the convocation (voting item)

This proposal will substitute the proposal under item 3C if and when the auditor's report will be issued on the 2022 Financial Statements after the date of the convocation, but no later than 15 June 2023.

As explained under item 3B, shareholders are requested to adopt the 2022 Financial Statements with auditor's report, if and when issued after the date of the convocation, but before 15 June 2023. This should give shareholders sufficient time to review the auditor's report and any adjustments to the 2022 Financial Statements prior to 23 June, the voting cut-off date for the AGM. The 2022 Financial Statements with auditor's report will be made available to shareholders at once if and when the auditor's report is issued, and deposited for inspection by the shareholders and other persons entitled to attend the AGM at the Company's offices in Amsterdam, The Netherlands. Copies will also be made available online on the Company's website, and will be made available for inspection at the AGM.

E. Dividend policy and allocation of profits over the financial year 2022 to the retained earnings (voting item)

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.

4. Discharge

A. Proposal for 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 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 2022 Financial Statements or other public disclosures prior to the adoption of the 2022 Financial Statements.



B. Proposal for 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 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 2022 Financial Statements or other public disclosures prior to the adoption of the 2022 Financial Statements.

5. Composition of the Management Board

A. 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.

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

B. 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 Lhoëst 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 this convocation which shall be forwarded to GDR holders by the Depositary through the usual electronic voting channels, and which shall also be deposited for inspection at the Company's offices in Amsterdam, the Netherlands.

C. 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. He lived in Russia from 2012-2016 managing international business development and the expansion of a major capital project as COO for Sakhalin Energy gaining broad experience in strategy, finance and supply chain management. In 2009, Quinten joined Gazprom's management team in the Netherlands actively managing Gazprom's 50% interest in the Sakhalin-II project, to date one of the world's largest integrated oil & gas projects. Quinten started his



career in 2000 as a lawyer with Nauta Dutilh, one of the major law firms in the Netherlands, and holds a degree in law at the Dutch University of Groningen.

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

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

Pursuant to the rotation schedule of the Supervisory Board, Peter Demchenkov reaches his end of term as Supervisory Board member this year. Peter Demchenkov is eligible for re-appointment. The Supervisory Board proposes to re-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.

Peter Demchenkov (28 September 1973), a Russian national, was appointed to the Supervisory Board of X5 in 2015. The Supervisory Board recommends to re-appoint Peter 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.

Peter Demchenkov holds 15,584 GDRs in the Company.

7. Remuneration of the Supervisory Board

A. Annual award of Phantom 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.

B. Accelerated vesting of Phantom 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 to Fedor Ovchinikov, whereby 2/3 (2993) of the award will vest and 1/3 will be forfeited in accordance with the PSU Plan Rules.

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.