



## **2025 Annual General Meeting of Shareholders of X5 Retail Group N.V.**

The Supervisory Board of X5 Retail Group N.V. (the "Company" or "X5") invites 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 16 July 2025 (the "AGM").

### **Agenda**

1. Opening
2. Report of the Management Board for the financial year 2024
3. Financial Statements for the financial year 2024
  - A. Proposal to adopt the audited 2024 Financial Statements (**voting item**)
  - B. Allocation of result of the financial year 2024 (**voting item**)
4. Discharge
  - A. Proposal to discharge the members of the Management Board (**voting item**)
  - B. Proposal to discharge the members of the Supervisory Board (**voting item**)
5. Composition of the Management Board: re-appointment of Frank Lhoest 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. Amendment of the remuneration policy for members of the Supervisory Board (**voting item**)
8. Amendment of the Company's Articles of Association (**voting item**)
9. Appointment of the external auditor for the financial year 2025 (**voting item**)
10. Any other business and conclusion



## **Record date and voting procedures**

Persons with the right to vote at the AGM are considered to be those persons who on **18 June 2025** 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 "Depository").

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

The Depository 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 Depository.

GDR holders who wish to attend and vote in person at the AGM should contact the Depository by ultimately 9 July 2025 to obtain an exclusive proxy to do so. GDR holders to whom such proxy have been granted must notify the Management Board of the Company of their intention to attend and vote at the AGM by providing the Management Board at least five days prior to the AGM with (1) a copy of the exclusive proxy. If the exclusive proxy has been granted by the Depository to a GDR holder which is a legal entity, the person who represents such legal entity at the AGM must provide sufficient proof that he/she is duly authorised to do so by means of a statement from a local lawyer or notary admitted to practice in the jurisdiction of the GDR holder, duly executed and legalised in accordance with the laws of such jurisdiction.

GDR holders who do not give their voting instructions to the Depository shall, in accordance with clause 5.5 of the Deposit Agreement and Condition 12.5 of the GDR Terms and Conditions, be deemed to have instructed the Depository to give a discretionary proxy to a person designated by the Company who shall vote on such GDRs in the best interest of the Company and its GDR holders.

## **Important notice to shareholders**

**On 3 May 2024 the Moscow Regional Court of Arbitration ruled to suspend the Company's shareholder rights in respect of its subsidiary X5 Corporate Center PJSC (formerly X5 Corporate Center LLC, hereinafter "X5CC") pursuant to Russian Federal Law No. 470-FZ and transferred the Company's shares in X5CC to X5CC itself, resulting in the Company's immediate loss of ownership and control in X5CC (the "Court Decision").**

**The Court Decision stipulated that Russian -direct or indirect- holders of the Company's GDRs were required to assume direct ownership in X5CC proportionate to their shareholding interest in the Company, whilst the Company's non-Russian GDR holders were granted an option to do so. The Court Decision also stipulated that all shares in X5CC for which direct ownership would not be assumed were to be transferred back to the Company on or after 31 December 2024, unless the Company opts to receive cash compensation for such shares (the "Cash Compensation").**



Based on information provided by X5CC, the Company understands that for 90.27% of the shares in X5CC direct ownership has been assumed by the Company's GDR holders (the "X5CC Shareholders"). With respect to the remaining 9.73% of the confiscated shares in X5CC, the Company opted for the Cash Compensation following the shareholder consultation on 1 November 2024. The Company is expected to receive the Cash Compensation in 2025 for the ultimate benefit of its GDR holders who did not assume direct ownership in X5CC (the "Remaining Shareholders").

Whilst the Court Decision had no major consequences for the operational activities of X5CC within the Russian Federation, it dramatically changed the operating environment of the Company which was hence restricted to the Netherlands only, with a key focus on protecting the interests of its Remaining Shareholders, and managing the assets of remaining subsidiaries outside of Russia. As part hereof the Company deploys maximum efforts in safeguarding the Cash Compensation and maximizing value for the Remaining Shareholders, taking into account all applicable rules and regulations including sanction laws. To align the Company to these new priorities the Supervisory Board recommends to simplify the Company's governance structures through an amendment of the Company's Articles of Association, and adjust remuneration structures accordingly, as described in the explanatory notes to agenda items 5 to 8 hereof.

Following its announcement on 19 September 2024 the Company is currently in the final process of changing its share depository, from The Bank of New York Mellon to X5 STAK Retail Group. Once this transition is completed, the Company will have the necessary legal framework in place to differentiate between X5CC Shareholders -or their ultimate beneficial owners- and Remaining Shareholders.

As such differentiation is not possible under the current GDR program, the Company requests all X5CC Shareholders to vote "abstain" at the AGM. The X5CC Shareholders have a direct interest in X5CC and should therefore no longer exercise (or direct the exercise of) any shareholder rights in the Company.

Meanwhile, as part of the transition process to a successor depository, the Company re-iterates its request to all Remaining Shareholders who wish to exercise their shareholder rights in the Company, including the right to receive future proceeds, to complete the Declaration Form that is available on [www.x5.com](http://www.x5.com), and return it to the Company by ordinary mail or to [info@x5.com](mailto:info@x5.com).

Amsterdam, 16 June 2025

Peter Demchenkov  
Chairman of the Supervisory Board



## **Explanatory Notes to the Agenda**

### **2. Report of the Management Board for the financial year 2024**

This agenda item includes an account of the financial year 2024.

### **3. Financial Statements for the financial year 2024**

#### **A. Proposal to adopt the audited 2024 Financial Statements (voting item)**

It is proposed to the General Meeting to adopt the Company's annual report for the financial year 2024 (the "2024 Annual Report"), which includes the Company's balance sheet and profit and loss account with the explanatory notes (the "2024 Financial Statements"). The 2024 Annual Report will be available for shareholders upon request and deposited for inspection by the shareholders and other persons entitled to attend the AGM at the Company's office in Amsterdam, The Netherlands.

#### **B. Allocation of result of the financial year 2024 (voting item)**

By decision of the Arbitration Court of the Moscow Region dated 3 May 2024 pursuant to Russian Federal Law No. 470-FZ, the Company's shareholding in X5 Corporate Center PJSC ("X5CC") was transferred to X5CC itself, resulting in the immediate loss of the Company's ownership and control over its key assets in Russia. Mainly as a result of this expropriation, the Company recorded a net loss of RUB 196,231 million in 2024. In view thereof, the Supervisory Board does not declare a dividend (the loss being accounted as a reduction of equity).

### **4. Discharge**

#### **A. Proposal to discharge 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 2024 from all liability in relation to the exercise of their duties in the financial year 2024, to the extent that such exercise is apparent from the 2024 Financial Statements or other public disclosures prior to the adoption of the 2024 Financial Statements.

#### **B. Proposal to discharge 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 2024 from all liability in relation to the exercise of their duties in the financial year 2024, to the extent that such exercise is apparent from the 2024 Financial Statements or other public disclosures prior to the adoption of the 2024 Financial Statements.

### **5. Composition of the Management Board: re-appointment of Frank Lhoest as member of the Management Board (voting item)**

The Supervisory Board proposes to re-appoint Frank Lhoest as member of the Management Board for a two-year period ending on the day of the annual general meeting of shareholders to be held in 2027.

Frank Lhoest (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, 2019 and 2023. The Supervisory Board



proposes to re-appoint Frank Lhoest in view of his experience and the way he fulfills his role as member of the Management Board. Frank Lhoest holds a degree in law at Leiden University, the Netherlands.

Upon Frank's re-appointment, and the appointment of Paul Nuber as Managing Director by the General Meeting in May 2025, the Management Board will be composed of two members. As member of the Management Board, Frank Lhoest's annual remuneration shall remain at the level of € 362,500 with entitlement to a one-off cash incentive up to 100% of his annual remuneration.

#### **6. Composition of the Supervisory Board: re-appointment of Petr 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 Peter Demchenkov for a new term ending on the day of the annual general meeting of shareholders to be held in 2027, which is the second year after the year of the re-appointment.

Peter Demchenkov (1973), a Finnish 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, also under the changed circumstances since the Company's expropriation in May 2024.

Upon Peter's re-appointment, and the earlier appointment of Geoff King as Supervisory Director by the General Meeting in May 2025, the Supervisory Board will be composed of two members. As chairman of the Supervisory Board, Peter Demchenkov will be entitled to an annual remuneration of € 200,000 and an additional one-off cash allowance up to 100% of his annual remuneration. Both the composition of the Supervisory Board and the proposed remuneration structure reflects the Company's objective to simplify its governance framework, and amend the Company's Articles of Association accordingly, as proposed under agenda item 8.

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

Following the loss of ownership and control over the Company's retail enterprise through the expropriation of its key subsidiary X5CC in May 2024, the role and activities of the Supervisory Board significantly changed. As part of the Company's objective to simplify its governance framework, and amend the Company's Articles of Association accordingly, as proposed under agenda item 8, the Supervisory Board shall be composed of no more than two members. In view hereof it is proposed to amend the Supervisory Board's remuneration policy that was adopted by the Company's General Meeting of Shareholders on 8 May 2024, such policy to be replaced by this new policy which shall be effective for Supervisory Board members upon their (re-) appointment in 2025.

The objective of X5's remuneration policy for the Supervisory Board is to reward and retain qualified individuals with ability to oversee and advise on protecting the interests of the Company's GDR holders who did not assume direct ownership in X5CC (the "Remaining Shareholders") and managing the assets of remaining subsidiaries outside of the Russian Federation. The policy is designed to be simple, effective and transparent.



Given the independent nature of the Supervisory Board's oversight role, remuneration is not linked to the Company's financial performance and is comprised of a fixed cash allowance, supplemented by a one-off fee payable upon the successful completion of compensation payments to the Remaining Shareholders.

The proposed remuneration components are as follows:

*Base fee (in €)*

<b>Role</b>	<b>Proposed</b>	<b>Current</b>
Supervisory Board Chair	200,000	300,000
Supervisory Board Member	80,000	120,000

*Additional allowance*

One-off fee up to one annual base fee, as soon as the Company will settle the cash compensation with Remaining Shareholders.

*Other benefits*

Supervisory Directors benefit from liability insurance coverage, and the reimbursement of expenses. The Company does not grant variable remuneration to Supervisory Board members, they do not accrue any pension rights and are not eligible for personal loans or guarantees. Supervisory Board members do not receive any other benefits or entitlements and are not entitled to any severance payment or benefits upon termination of their appointment. Supervisory Directors are appointed and reappointed based on the provisions of the law and articles of association of the Company.

*Legacy arrangement*

Up and until 2024 Supervisory Board members were entitled to annual equity-based awards under the Company's Phantom Stock Unit ("PSU") Plan. Following the trade suspension of X5 GDRs at the Moscow Exchange on 5 April 2024, and the subsequent expropriation of X5CC in May 2024, the 2024 Annual General Meeting of Shareholders approved an amendment of the remuneration policy for the Supervisory Board effective 1 May 2024, based on termination of the PSU Plan, continued vesting of PSU awards and cash-only compensation going forward. At the time of the awards starting 2022, and in accordance with the PSU Plan rules, the PSU's were scheduled to vest in 2025, 2026 and 2027 (as reflected in note 40 of the 2024 Financial Statements). The expropriation of the Company's shares in X5CC by Russian authorities on 3 May 2024 constitutes an Acceleration Event under the PSU Plan rules, triggering cancellation of all outstanding PSU awards, and cash settlement of such awards in consideration of their cancellation based on the average market value<sup>1</sup> of Global Depositary Receipts in the Company before the Acceleration Event. In view of the trading suspension of X5 GDR's at the Moscow Exchange at the time of the Acceleration Event, the average market value was calculated over the thirty calendar days immediately preceding the trading suspension, i.e. RUB 2,814.13, applying the RUB/€ FX rate on vesting date.

The remuneration policy for the Supervisory Board must be adopted, and may only be amended, by the General Meeting of Shareholders pursuant to a proposal of the Supervisory Board.

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<sup>1</sup> Average Market Value is defined in the PSU Plan rules as the volume weighted average price of an X5 GDR using its closing price on the stock exchange where the GDRs are traded over the thirty (30) calendar days immediately preceding any particular vesting date (such as the date of an Acceleration Event).



#### **8. Amendment of the Company's Articles of Association (voting item)**

The General Meeting is requested to approve the proposed amendment of the Company's Articles of Association. The purpose of the amendment is to reflect that the Company is no longer publicly listed and has significantly adjusted governance requirements following the loss of ownership and control in X5CC in 2024. The Supervisory Board has granted its approval for the amendment of the Articles of Association.

The existing text of the Articles of Association with the proposed amendments is published on the Company's website ([www.x5.com](http://www.x5.com)) and is available for inspection at the office of the Company until the AGM is held.

The resolution to amend the Articles of Association also includes the authorization of each Director of the Company as well as any and all lawyers and paralegals practicing with Lustrous Law B.V. in Amsterdam to execute the notarial deed of amendment to the Articles of Association.

#### **8. Appointment of the external auditor for the financial year 2025 (voting item)**

The Supervisory Board proposes to re-appoint Koeleman Accountants and Belastingadviseurs B.V. as the Company's external auditor for the financial year 2025.