



X5 RETAIL GROUP N.V.

INFORMATION POLICY of X5 Retail Group N.V.

30 SEPTEMBER 2016

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1. GENERAL PROVISIONS

- 1.1 This information policy (the «**Information Policy**») is made in compliance with the Dutch law, applicable European securities market laws, including the European Union's Market Abuse Regulation¹ («**MAR**»), Articles of Association of X5 Retail Group N.V. (the «**Company**» or «**X5**»), Code of Business Conduct and Ethics, Inside Information and Dealing Code, requirements of the relevant financial regulators in the UK and Netherlands, and the Russian laws and regulations pertaining to the Company's Russian subsidiaries and controlled entities (the «**Applicable Laws, Regulations and Requirements**»).
- 1.2 The Information Policy shall list the information items and documents to be disclosed to the shareholders, professional securities market participants and the community as a whole (collectively, the «**Stakeholders**»), and set forth the manner and time frame for providing the same.
- 1.3 The Policy's key objectives shall be to:
- formalise the procedures and mechanisms for ensuring and, in certain cases, enhancing the transparency of the Company's operations in line with the principles of unbiased, reliable, and consistent disclosure;
 - fully meet the Stakeholders' need for reliable information about the Company and its operations;
 - ensure that the Company's shareholders and other Stakeholders benefit from their right to receive, in a timely manner, information material for making investment decisions;
 - protect the Company's confidential information; and
 - provide the directors of the Company with a framework for discharging their regulatory responsibilities and complying with the Applicable Laws, Regulations and Requirements relating to the handling and disclosure of sensitive information relating to the Company.
- 1.4 This Information Policy should be read in conjunction with the Company's Inside Information and Dealing Code.
- 1.5 For the purposes of this Information Policy, **Inside Information** is defined as information which is:
- precise;
 - has not already been made public;
 - relates, directly or indirectly, to the Company or any publicly traded or quoted securities issued by the Company; and
 - would be likely to have a significant effect on any such securities if it were made public.

If you are in any doubt as to whether information which you hold is Inside Information, you should immediately consult with the Committee (as defined below) prior to taking any further action.

2. KEY DISCLOSURE PRINCIPLES

- 2.1 The Company's Information Policy shall rely on the following principles:
- regular and timely information disclosure in compliance with the Applicable Laws, Regulations and Requirements;
 - objectivity, completeness, reliability, and consistency of the information disclosed;
 - prompt identification of any changes in the Company's circumstances which render information previously disclosed incorrect or inconsistent and thereby necessitates further corrective or updating disclosure;
 - ensuring equal rights of all the Stakeholders to receive information pursuant to the Applicable Laws, Regulations and Requirements;
 - maintaining a reasonable balance between the transparency of the Company's operations and its commercial interests and ensuring that where this necessitates any delay in the disclosure of Inside Information, such delay is only imposed where it is legally permissible to do so; and

¹ Regulation (EU) No 596/2014 of the European Parliament and of the council of 16 April 2014.

- keeping the information classified as restricted or constituting trade secrets confidential and controlling the use and dissemination of Inside Information.
- 2.2** Information on the Company's operations subject to disclosure shall be divided into two categories:
- information to be disclosed pursuant to the Applicable Laws, Regulations and Requirements; and
 - information disclosed at the Company's discretion.
- 2.3** Internal procedures for collecting and processing the information to be disclosed shall be approved by the Corporate Communication Director and the IR Director.
- 2.4** The Company shall provide access to documents, materials, and information at its subsidiary's office located at 28 Srednyaya Kalitnikovskaya St., Bld. 4, Moscow, 109029, Russia. The above documents, materials, and information shall also be available electronically at the Company's corporate website (www.x5.ru)², having first been disclosed to the market through announcement on a Regulatory Information Service («**RIS**»), where required by the Applicable Laws, Regulations and Requirements³.

3. DISCLOSURE COMMITTEE

- 3.1** The Disclosure Committee (the «**Committee**») shall be set up to implement, review and, where necessary, update the Information Policy in line with the Applicable Laws, Regulations and Requirements, and ensuring that it is in line with current market practice and interpretation of the Applicable Laws, Regulations and Requirements, as well as being aligned with the Company's development strategy.
- 3.1.** The Committee shall be responsible for ensuring compliance with the Information Policy and shall put in place appropriate systems for monitoring and controlling the use of Inside Information and ensuring that it is only accessed by those who have a specific need for it in order to properly exercise their functions. It will be necessary for the Committee to implement efficient and streamlined decision making and approval processes in order to ensure that disclosure requirements are promptly considered and, where necessary, information is released, in a timely manner.
- 3.2.** It shall be focused on:
- ensuring compliance of the Company's disclosure standards with the applicable laws and regulations;
 - ensuring disclosure in line with the Company's strategy, goals and objectives;
 - ensuring compliance of the Company's disclosure procedures with the requirements referred to herein, including that any Inside Information is promptly identified and disclosed to the market (via an RIS announcement), unless circumstances exist which lead the Committee to conclude that it would be permissible to delay the disclosure of such information (see Clause 4 below); and
 - reviewing the Company's Information Policy for compliance with the Applicable Laws, Regulations and Requirements on an annual basis (or more frequently where the Committee are aware or have been advised of any relevant changes), and drafting recommendations on the amendments thereto.
- 3.3** The Committee's permanent members shall be:
- CEO (the Committee's Chair);
 - CFO;
 - Corporate Communication Director;
 - Investor Relations ('IR') Director;
 - Head of Public Relations ('PR'); and
 - Company Secretary.
- 3.4** The Committee's activities shall be supervised by its chair. Its meetings shall be held on an ad hoc basis or at its members' request.

² All Inside Information that the Company is required to disclose pursuant to MAR must remain available on the Company's website for a period of 5 years following the first release of such information through an RIS. Such information must be stored on an easily identifiable section of the Company's website (i.e. the Investor Relations section), clearly indicate the date and time of the disclosure, being stored in chronological order with other like announcements, and be accessible free of charge and in a non-discriminatory manner.

³ Such requirements will apply, among other things, to all disclosures of Inside Information made pursuant to MAR.

4. DISCLOSURE IN COMPLIANCE WITH THE REGULATORY REQUIREMENTS

- 4.1** Where required, the Company shall disclose information on its operations or in relation to dealings in any publicly traded or quoted securities issued by the Company within the time frame set by the regulators, by making an announcement through an RIS. The text of any such announcement must also be made available on the Company's website (as detailed in Clause 2.4 above).
- 4.2** The Company shall disclose information in compliance with:
- Dutch law, the Dutch Corporate Governance Code, Dutch Financial Supervision Act, and the requirements of the Netherlands Authority for the Financial Markets («AFM»);
 - Listing rules of the London Stock Exchange, Disclosure and Transparency Rules published by the UK Financial Conduct Authority (the «FCA») and the requirements of the UK Listing Authority («UKLA»);
 - Russian laws pertaining to the Company's subsidiaries and/or controlled entities; and
 - the MAR.
- 4.3** Information on the Company's operations subject to disclosure shall include:
- interim and annual consolidated financial results in accordance with the International Financial Reporting Standards (IFRS);
 - management discussion and analysis;
 - Company's Articles of Association;
 - Dutch Corporate Governance Code;
 - Regulation on the Supervisory Board and its committees;
 - Code of Business Conduct and Ethics;
 - Inside Information and Dealing Code;
 - Policy on Bilateral Contacts with Shareholders;
 - Information on the Company's securities, including the blackout periods;
 - Any and all types of reports filed with the AFM or UKLA, or with the Russian regulators and/or exchanges;
 - Other information required to be disclosed in accordance with the Applicable Laws, Regulations and Requirements including, for the avoidance of doubt, Inside Information (subject to Clause 4.6 below)⁴ and information on certain dealings in securities issued by the Company (as more fully described in the Company's Inside Information and Dealing Code).
- 4.4** The above list is subject to change in case of amendments to the Applicable Laws, Regulations and Requirements.
- 4.5** The Company's CFO, Company Secretary, Corporate Communication Director and IR Director shall be in charge of preparing the information subject to mandatory disclosure.
- 4.6** There may be certain circumstances where the Company, acting through the Committee, may determine that it would be appropriate to delay the disclosure of Inside Information. Such a delay in disclosure may be imposed, at the Company's responsibility, where immediate disclosure is likely to prejudice the Company's legitimate interests and the delay in disclosure is not likely to be misleading to the public and the Company remains able to ensure the confidentiality of such information⁵.

⁴ The Company will be required to forward a soft copy of any document it is required to publish pursuant to the rules of the FCA (such as annual reports and financial statements) to the UK's National Storage Mechanism ("NSM") at the same time as such document is released by the Company. An RIS announcement notifying that such document has been forwarded to the NSM must also be released at the same time, unless the full text of such document has already been released via an RIS.

⁵ Examples of such situations include where the Company is: (i) negotiating the terms of a corporate or financing transaction; (ii) in financial difficulty; or (iii) in discussions with research analysts/rating agencies.

- 4.7 If such a decision is taken, certain record keeping and reporting requirements must be complied with⁶ and the Company remains under a duty to continue to monitor the relevant situation such that if circumstances change or it becomes apparent that it will no longer be possible to ensure that the information remains confidential, an announcement may be made promptly.

5. PERSONS AUTHORISED TO REPRESENT THE COMPANY IN EXTERNAL COMMUNICATIONS

- 5.1 The persons authorised to comment on the Company's operations (the «**Authorised Persons**») shall be its CEO, CFO, IR Director and IR staff, Corporate Communication Director and PR staff, Government Relations ('GR') Director and GR staff. The Regulation on X5's Public Communications provides the full list of the Authorised Persons that may provide comments on the Company's operations, and describes additional procedures and controls over such comments.
- 5.2 The Authorised Person may not refuse to provide information to the Stakeholders selectively, or distort analyst findings or recommendations.
- 5.3 The Supervisory Board members may provide comments on the Board meetings or any corporate events, only if the respective information has already been disclosed by the Company in line with its disclosure procedures, following such disclosure.
- 5.4 The GR Department shall be in charge of external communications and liaising with the public authorities and other entities. The procedure for liaising with and the list of public authorities and other entities, as well as the GR Department's scope of authority shall be set out in the Company's by-laws approved by its CEO.
- 5.5 The authorised representatives of the Company's Finance Department (Director of Accounting and Financial Reporting, Chief Accountant, and Head of Tax) shall be in charge of liaising with the Ministry of Finance of the Russian Federation, Federal Tax Service of the Russian Federation and local tax authorities.

6. COMMENTS ON INFORMATION DISCLOSED BY THE COMPANY

- 6.1 When liaising with the Stakeholders, the Authorised Persons shall not disclose any Inside Information referred to in Clause 4.3 hereof and information that has not been publicly disclosed previously (unless specific exceptions apply); any and all information provided by such persons shall be based on the facts disclosed earlier.
- 6.2 Where, during meetings with investors, analysts, or any other Stakeholders any information has been disclosed inadvertently (and such information is Inside Information), the confidentiality provisions will not be satisfied and the Company shall promptly disclose such information to the entire investment community, in accordance with the Company's Policy on Bilateral Contacts with Shareholders, as published on the corporate website.

7. COMMENTING ON RUMOURS

- 7.1 Save as set out below, the Company's Information Policy shall prohibit commenting on rumours. In case of such inquiries, the Authorised Representatives should declare that "the Company's Information Policy prohibits commenting on rumours."
- 7.2 Where an inquiry related to any rumours with respect to the Company's operations has been received from a stock exchange or governmental regulators, the Committee shall consider the situation and give recommendations to the Authorised Persons as to what measures are to be taken.

⁶ The Company is required to retain a written record of when: (i) the Inside Information existed; (ii) the decision was taken to delay disclosure; and (iii) it is likely to disclose the information. It is also required to record the identity of the persons who made the decision to delay disclosure and who will be responsible for deciding when to end that delay and record details of the information barriers which the Company has put in place to protect the confidentiality of the Inside Information and the contingency planning which the Company has put in place in case it is no longer able to ensure such confidentiality. At the time that such information is disclosed, the Company must make a parallel (private) disclosure of the delay to the FCA using the prescribed form available on the FCA website (<https://www.the-fca.org.uk/markets/ukla/regulatory-disclosures/mar-implementation>) and, upon request by the FCA, provide a written explanation for the delay and explain how the abovementioned conditions for delay were satisfied.

- 7.3** The Company's Authorised Persons or representatives shall take measures for refuting incorrect information, especially where its distribution is detrimental to the Company or its shareholders.
- 7.4** Where the Company holds Inside Information, but has delayed disclosure of the same, if there is a rumour which specifically relates to that Inside Information and is sufficiently accurate to indicate that the confidentiality of such information has been compromised and can no longer be ensured, then the Company may no longer delay the disclosure of such Inside Information and must disclose such information through a RIS as soon as possible.

8. DISCLOSURE OF PRELIMINARY INFORMATION

- 8.1** The Company shall refrain from providing forecasts for its net income or other indicators prior to the issue of the relevant press release.
- 8.2** However, preliminary information can be provided to the investment community by the Company, by reference to safe harbour provisions and provided it includes a disclaimer against possible inaccuracies and a statement that the information provided has not been audited. Such information shall only be provided to the extent necessary for objective assessment of the Company and its development outlook by analysts and investors, and subject to the following provisos:
- the information is not confidential;
 - the information does not contain forecasts for financial and operating results; and
 - the information was prepared or approved by the Committee.
- 8.3** Such preliminary information may include:
- estimates of sales, expenses, or capital expenditures;
 - information on new projects; or
 - other commercial or technical information, provided the aforementioned conditions are met.
- 8.4** Preliminary information shall not be in conflict with any previously disclosed information, including annual, quarterly and other reports, as well as statements of material facts or press releases, unless the changes in such information are explained and where such changes are material in their nature, an announcement is promptly released highlighting such changes and explaining their impact upon the previously disclosed information.
- 8.5** Where any preliminary information is included in a written document, the document shall also contain a disclaimer stating that such information is preliminary, has not been audited and may at any time be subject to significant changes. Where any preliminary information is disclosed orally, it shall be required to articulate the said disclaimer or refer the person to a press release or report containing such disclaimer.
- 8.6** Preliminary information concerning the Company's financial and business performance may, in the ordinary course of business, be discussed by the members of the Company's Supervisory Board, Management Board and Executive Committee, as well as by the Company's employees whose duties include preparation and disclosure of performance figures. Pursuant to the Company's Inside Information and Dealing Code, the said persons shall be fully responsible for non-disclosure of such information.

9. RELATIONS WITH INVESTORS AND SHAREHOLDERS

- 9.1** The Company shall ensure timely mandatory disclosure of information to the shareholders in accordance with the Applicable Laws, Regulations and Requirements.
- 9.2** The CFO, IR Director and Company Secretary shall be responsible for interaction with the Company's shareholders.
- 9.3** The CFO and IR Director shall be responsible for relations with the investment community.
- 9.4** As part of its IR activities, the Company implements a number of initiatives aimed at increasing informational transparency, including:
- public disclosure of performance figures and of all of the Company's significant corporate events that may affect its financial standing;

- meetings with and presentations for investors and analysts;
 - face-to-face meetings with investors;
 - conference calls on IFRS financial statements; and
 - publication of materials disclosed in the course of public communication with investors and analysts on the corporate website.
- 9.5** The scope, contents, time frame, and manner of disclosure of financial and economic information shall be determined by the CFO and IR Director in accordance with the Applicable Laws, Regulations and Requirements.
- 9.6** The Company shall neither disseminate analyst reports to third parties, nor publish them on the corporate website. The Company shall, however, reserve the right to provide analyst reports to the members of the Supervisory Board and Company's management for informational purposes.
- 9.7** Where the Company is considering a potential transaction (and therefore holds Inside Information), but wishes to engage with investors in order to gauge their interest in that transaction, the MAR contains a safe harbour permitting the selective disclosure of Inside Information on a confidential basis. Such disclosures are referred to in the MAR as «Market Soundings» and will not be considered to be an unlawful disclosure of Inside Information provided that certain prescribed procedures are followed, being that a record must be made of the Inside Information communicated, the investor's consent to receiving Inside Information must be obtained, the investor must be informed that such information must be kept confidential and may not be used to deal, and the investor must be informed when such information ceases to be inside information. Any release of Inside Information in reliance on the Market Soundings safe harbour should only be undertaken following consultation with the Committee.

10. MASS MEDIA RELATIONS

- 10.1** The Company maintains an active dialogue with mass media representatives by, inter alia:
- issuing press releases on all significant events pertaining to the Company;
 - holding press conferences and meetings between the media and the Company's management team;
 - timely and competent responses to all information requests from the media; and
 - participation in conferences, seminars, and other public events.
- 10.2** The Corporate Communication Director, assisted by the Head of PR, shall be responsible for mass media relations.
- 10.3** The scope of information allowed for disclosure to mass media shall be determined by the X5's Regulation on Public Relations and may be changed in accordance with the Company's current operations. The Committee shall ensure that information to be disclosed to mass media is carefully vetted for consistency with the terms of this Information Policy and the content of information which has already been publicly disclosed to Stakeholders by the Company. It will be necessary to ensure that such information does not include any Inside Information which will not first have been communicated to the market through an RIS announcement.
- 10.4** Provisions regarding social media use are set out in Clause 2.2.4 of the Company's Code of Business Conduct and Ethics that regulates public communication.

11. DISCLOSURE OF INFORMATION ON THE CORPORATE WEBSITES

- 11.1** The Company has a corporate website for disclosure of the Company's information in the English (www.x5.ru/en) and Russian (www.x5.ru) languages.
- 11.2** In addition to the information referred to in Clause 4.3 hereof, the information subject to mandatory disclosure on the corporate website shall include:
- Company's press releases;
 - Company's annual and quarterly consolidated financial statements under IFRS and an independent auditor's report;

- Company's annual reports;
 - information on the Company's current stock quotes;
 - information on the Company's registrar and custodian bank;
 - information on the Company's corporate governance structure;
 - information on the members of the Supervisory Board, Management Board and Executive Committee;
 - information on the General Meetings of Shareholders;
 - information on tenders for the Company's suppliers and partners;
 - other additional information determined based on the Stakeholders' inquiries;
 - management's interim statements;
 - information on any changes in respect of different share classes;
 - information announced on an RIS pursuant to the MAR or any other legal or regulatory requirement to which the Company is subject; and
 - information to be disclosed in accordance with Directive 2004/109/EC dated 15 December 2004.
- 11.3** The Corporate Communication Director and IR Director shall be responsible for publishing and updating information on the corporate website. The heads of the relevant units of the Company shall be responsible for timely provision of information required to update the corporate website data.
- 11.4** The content and publication on the retail chain websites shall be the responsibility of the respective marketing directors of the individual retail chains, and shall follow the Committee's guidelines.

12. WRITTEN REQUESTS

- 12.1** The documents and information referred to in Clause 4.3 hereof may be provided upon written request from the Stakeholders. The said documents and information, or a reasonable refusal to provide these, pursuant to the law, shall be given to the Stakeholders within 10 business days at the Company's location, unless other time period and procedures of providing information are established by the applicable laws.
- 12.2** Should the Stakeholders wish to receive the information in hard copies, the Company may request them to cover the expenses for preparing and providing such information, where legally permissible to do so.
- 12.3** Where a written request covers any information not included in the list of information subject to disclosure, the decision to provide such information shall be made by:
- members of the Committee, if the information so requested updates (specifies) any publicly available information on the Company and is significant for making investment decisions, in which case, it is likely to be Inside Information and should be promptly announced through an RIS, unless there are grounds for the legitimate delay of such announcement (as described in Clause 4 above); or by
 - the chair of the Committee – in all other cases.

13. TRADE SECRETS AND RESTRICTED INFORMATION

- 13.1** Information constitutes a commercial secret or is restricted when it has real or potential commercial value due to its being unknown to third parties and not legitimately accessible, provided that the Company takes measures to protect its confidentiality. Note that such information may be Inside Information and as such, should be handled with a view to maintaining the strictest confidentiality at all times.
- 13.2** The Chair of the Committee and heads of the Company's units in charge of information security shall, on behalf of the Company, make every effort to protect commercial and inside information, ensure its confidentiality, establish the procedure of handling such information, and determine the list of such information, while maintaining a reasonable balance between the Company's transparency and commitment to not damaging its interests.

- 13.3** The list of information classifiable as trade secret or as restricted and the procedure of using such information shall be laid out in the relevant by-laws of the Company.

14. INSIDE INFORMATION

- 14.1** Please refer to the Company's Inside Information and Dealing Code, which should be read in conjunction with this policy.
- 14.2** Inside information shall be disclosed in accordance with the MAR.

15. INFORMATION POLICY COMPLIANCE

- 15.1** Each member of the Executive Committee, Management Board and Supervisory Board, and all employees of the Company and its subsidiaries, shall be personally responsible for compliance with this Information Policy, and shall report any known breaches hereof (related to unauthorised disclosure of information) to the members of the Committee.
- 15.2** The Committee shall be responsible for ensuring compliance with the Information Policy. Any questions regarding compliance herewith shall be addressed to the Committee members and/or to the head of the unit responsible for the disclosure of the relevant information.
- 15.3** Any person found acting in breach of the Applicable Laws, Regulations and Requirements, or of this Information Policy, may be held liable in accordance with the relevant disciplinary, civil, administrative, or criminal proceedings. The decision to hold a person liable shall be made in accordance with the procedures of the Company and its subsidiaries and controlled entities, as well as with the applicable laws, or, in the case of any breach of the Applicable Laws, Regulations and Requirements could be taken by the competent regulatory authorities.