



## 2022 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 2022 (the "AGM").

### Agenda

1. Opening
2. Report of the Management Board for the financial year 2021
3. Financial Statements for the financial year 2021
  - A. Remuneration Report (**voting item**)
  - B. Explanation that there is no independent auditor's report due to force majeure, i.e. suspension of work by the external auditor
  - C. Proposal to adopt the 2021 Financial Statements without the independent auditor's report (**voting item**)
  - D. Optional: Proposal to adopt the 2021 Financial Statements with an independent auditor's report should the auditor's report be received after the date of the convocation (**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: appointment of Ekaterina Lobacheva as member of the Management Board (**voting item**)
6. Composition of the Supervisory Board:
  - A. Appointment of Olga Vysotskaja as member of the Supervisory Board (**voting item**)
  - B. Appointment of Fedor Ovchinnikov as member of the Supervisory Board (**voting item**)
  - C. Appointment of Vadim Zingman as member of the Supervisory Board (**voting item**)
7. Authorisation of the Supervisory Board to appoint the external auditor for the financial year 2022 (**voting item**)
8. Perekrestok Holdings B.V.
  - A. Proposal to adopt the 2021 financial statements of Perekrestok Holdings B.V., for the period until its legal merger with X5, i.e. 1 January 2021 up and including 5 October 2021 (**voting item**)
  - B. Proposal for discharge from liability of the former members of the management board of Perekrestok Holdings B.V. (**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 2022** 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 2021 (the "**2021 Annual Report**"), which includes the Company's balance sheet and profit and loss account with the explanatory notes (the "**2021 Financial Statements**"), are available on the Company's website [www.x5.ru](http://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.

GDR holders who wish to vote in person at the AGM will, on request, be granted an exclusive proxy to do so by the Depositary. GDRs holder to whom such exclusive proxy have been granted must notify the Management Board of the Company of their intention to attend and vote at the AGM and must provide the Management Board with a copy of such proxy at least five (5) days prior to the AGM. GDR holders who intend to vote in this manner must provide sufficient proof of identification on admission to the AGM. In addition, if the exclusive proxy has been granted by the Depositary 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 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.

Amsterdam, 19 May 2022

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 2021**

This agenda item includes an account of the financial year 2021, including the report of the Supervisory Board.

### **3. Financial Statements for the financial year 2021**

#### **A. Remuneration Report (voting item)**

This item concerns an advisory vote on the Remuneration Report for the financial year 2021, which is set out on pages 167-176 of the 2021 Annual Report and also available as a stand-alone document on the Company's website. The Remuneration Report describes the 2021 implementation of the Remuneration Policies for the Management Board and the Supervisory Board. At the 2021 Annual General Meeting of Shareholders a positive advisory vote was cast for the Remuneration Report 2020. Meanwhile we took into account feedback received from our shareholders and improved our disclosures in the Remuneration Report for the financial year 2021, creating more transparency in the link between performance and payout. It is proposed to cast a favourable vote.

Looking forward, the Supervisory Board will closely engage with management on a thorough re-assessment of both the short- and long term remuneration principles and targets, taking into account the impact of current developments on the Company's strategic priorities. In doing so, 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 and request for approval from the General Meeting of Shareholders when finalized.

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

On 16 March 2022 the Company released its unaudited condensed consolidated financial information for the year ended 31 December 2021, with the announcement that the Group 'expects a delay in the completion of the Dutch statutory audit of the annual report due to additional procedures required for companies operating in a primarily Russian environment'. Effectively, in connection with the conflict in Ukraine and sanctions imposed by the United Kingdom and the European Union, X5's external auditor, Ernst & Young Accountants LLP, the Netherlands ('EY'), unexpectedly suspended their audit services for X5 to assess their ability to continue the audit of the financial statements of the Company, despite the fact that X5 is not subject to sanctions, and the audit of X5's 2021 Financial Statements was nearly completed when Russia's military operation in Ukraine started on 24 February 2022.

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 EY, the analysis performed by the auditors is still ongoing. Therefore, pending EY's internal analysis regarding its ability to issue the required auditor's report, X5 has decided to submit to shareholders the 2021 Annual Report including the 2021 Financial Statements, albeit without auditor's report for the reasons set forth above, for adoption under agenda item 3C. We believe this to be in line with the level of transparency that shareholders expect from us.



Meanwhile, in our ongoing efforts to seek assurance on our financial statements, the Company continues to explore possibilities to obtain an auditor's report, either by EY on the 2021 Financial Statements, or by EY Russia, its legal successor or any other audit firm as the case may be, on the 2021 Consolidated Financial Statements only. Anticipating the possibility that any such auditor's report will be issued after the date of this convocation but prior to 15 June 2022 (seven days before the voting cut-off date for the AGM), the AGM agenda -under item 3D- offers the alternative option to shareholders to adopt the updated version of its 2021 (Consolidated) Financial Statements *including* auditor's report, which will be made available to shareholders at once if and when the auditor's report is issued. In such event, agenda item 3D will substitute agenda item 3C.

**C. Proposal to adopt the 2021 Financial Statements without the independent auditor's report** (voting item)

It is proposed to the General Meeting to adopt the 2021 Financial Statements. The 2021 Financial Statements are included in the 2021 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 2021 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 2021 Financial Statements with an 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 an auditor's report will be issued on the 2021 (Consolidated) Financial Statements after the date of the convocation, but no later than 15 June 2022.

As explained under item 3B, shareholders are requested to adopt the 2021 Financial Statements with auditor's report, if and when issued after the date of the convocation, but before 15 June 2022. This should give shareholders sufficient time to review the auditor's report and any adjustments to the 2021 (Consolidated) Financial Statements prior to 23 June, the voting cut-off date for the AGM. The 2021 (Consolidated) 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.

#### **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 the members of the Management Board in office in 2021 from all liability in relation to the exercise of their duties in the financial year 2021, to the extent that such exercise is apparent from the 2021 Financial Statements or other public disclosures prior to the adoption of the 2021 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 the members of the Supervisory Board in office in 2021 from all liability in relation to the exercise of their duties in the financial year 2021, to the extent that such exercise is apparent from the 2021 Financial Statements or other public disclosures prior to the adoption of the 2021 Financial Statements.



## **5. Composition of the Management Board: appointment of Ekaterina Lobacheva as member of the Management Board (voting item)**

The Supervisory Board proposes to appoint Ekaterina Lobacheva as member of the Management Board, with the title of President for a four-year period ending on the day of the annual general meeting of shareholders to be held in 2026.

Ekaterina Lobacheva, 25 March 1982, a Russian national, joined X5 in October 2016 as the Head of the Corporate Law and X5's Corporate Structure Department. She has more than 15 years of successful managerial and practical experience, including various positions at Evraz Holding, where she implemented a number of large-scale projects focused on the legal support for the business, and MDM Bank. Ekaterina has a MBA degree IMD Business School, degree in Law of Russian Academy of State Service and degree in Finance and Credit from the Plekhanov Russian University of Economics.

As part of the Management Board, Ekaterina will focus on overseeing regulatory and compliance aspects of X5's operations to ensure necessary cooperation, appropriate focus and efficient decision-making aimed at providing support to our partners, including international suppliers. X5 works closely with over 5000 suppliers of food and humanitarian products from around the world to ensure availability and accessibility of essential products for millions of customers. We believe that in the current situation of rapidly changing legislation and regulatory requirements, Ekaterina's contribution at Management Board level will be essential to ensure the continuity of the processes and secure maximum protection of the interests of our partners and international suppliers. Ekaterina's appointment emphasizes X5's commitment towards gender diversity in all executive layers of the Company.

Agreed Package for Ekaterina Lobacheva:

- Base salary RUB 54,000,000
- Short term annual cash incentive based on financial and non-financial indicators set by the Supervisory Board. The on-target payout as a percentage of base salary is 100%, contingent on full achievement of the objectives, with a cap at 140% in case of exceptional performance.
- Long term cash incentive under the 2021-2023 long-term incentive plan for members of the Executive Board, as described in the remuneration policy, with a maximum of 133% per year of the base salary during the three-year programme.

Other relevant components:

- Subject to compliance with a 6 months non-competition obligation, Mrs. Lobacheva shall be entitled to the payout established in the remuneration policy.

## **6. Composition of the Supervisory Board**

### **A. Appointment of Olga Vysotskaja as member of the Supervisory Board (voting item)**

The Supervisory Board proposes to appoint Olga Vysotskaja as member of the Supervisory Board for a term ending on the day of the annual general meeting of shareholders to be held in 2025, which is the third year after the year of the appointment.

Olga Vysotskaja, a Russian national (b. 1961), previously served as partner in the audit and assurance practice of KPMG, PricewaterhouseCoopers and Deloitte. In addition, Olga has more than 13 years of board-level experience including at NIS (Naftna Industrija Srbije), Samolet, Irkutsk Oil Company, SUEK. She is a



member of the Independent Directors Association and a Chartered Director and Fellow at the Institute of Directors in London. Olga graduated from St. Petersburg State University with honors and holds an MBA degree from the University of Bristol.

The Supervisory Board recommends appointing Olga Vysotskaja in view of her proven track record and extensive expertise in corporate finance, audit and assurance and risk management, as well as her in-depth board-level experience. Olga Vysotskaja has no shareholding in the Company.

**B. Appointment of Fedor Ovchinnikov as member of the Supervisory Board** (voting item)

The Supervisory Board proposes to appoint Fedor Ovchinnikov as member of the Supervisory Board for a term ending on the day of the annual general meeting of shareholders to be held in 2025, which is the third year after the year of the appointment.

Fedor Ovchinnikov, a Russian national (b. 1981), is co-founder and Chief Executive Officer of Dodo Brands, an international franchising company and one of the world's fastest-growing quick service restaurant (QSR) startups with focus on digital innovations with operations in 16 countries. Fedor holds a degree in Archeology from Syktyvkar State University.

The Supervisory Board recommends appointing Fedor Ovchinnikov in view of his entrepreneurial, business development and digital innovations experience. Fedor Ovchinnikov has no shareholding in the Company.

**C. Appointment of Vadim Zingman as member of the Supervisory Board** (voting item)

The Supervisory Board proposes to appoint Vadim Zingman as member of the Supervisory Board for a term ending on the day of the annual general meeting of shareholders to be held in 2025, which is the third year after the year of the appointment.

Vadim Zingman, a Russian national (b. 1970), is currently President of Alfa Group. From 2009 to 2019, Vadim held senior positions at Aeroflot, including as Deputy General Director and Customer Service Director. He also has extensive expertise in the banking sector, having served as Vice-President of Inkombank (1992-1998), Chairman of the Management Board of Baltonexim Bank (1992-1998) and President of Interregional Clearing Bank (2000). He graduated with honors from the St. Petersburg University of Economics and Finance.

The Supervisory Board recommends appointing Vadim Zingman in view of his strong financial expertise combined with in-depth experience in, and strong aptitude for, customer service. Vadim Zingman has no shareholding in the Company.

**7. Authorisation of the Supervisory Board to appoint the external auditor for the financial year 2022** (voting item)

The year 2021 was the last year of the engagement term of Ernst & Young Accountants LLP, the Netherlands ('EY') as external auditor of the Company. As described above under item 3B, the current geopolitical environment presents a challenge for the Company to extend the mandate with EY or to attract a new external auditor to audit the financial statements of the Company for the financial year 2022 and beyond. In order to allow more time for the external auditor selection and appointment process, it is proposed to delegate the authority to appoint an external auditor for the financial year 2022 to the Supervisory Board.



## **8. Perekrestok Holdings B.V.**

Following the merger between X5 and its 100% subsidiary Perekrestok Holdings B.V., effective as of 6 October 2021, Perekrestok Holdings B.V. ceased to exist. As a result of this merger the requirements concerning the 2021 financial statements of Perekrestok Holdings B.V. have been inherited by X5. Therefore the adoption of the 2021 financial statements of Perekrestok Holdings B.V. and the proposal to discharge from liability the former members of the management board of Perekrestok Holdings B.V. are scheduled on the agenda of this AGM.

### **A. Proposal to adopt the 2021 financial statements of Perekrestok Holdings B.V., for the period until its legal merger with X5, i.e. 1 January 2021 up and including 5 October 2021 (voting item)**

It is proposed to the General Meeting to adopt the 2021 financial statements of Perekrestok Holdings B.V., for the period until its legal merger with X5, i.e. 1 January 2021 up and including 5 October 2021, prepared by the former management board of Perekrestok Holdings B.V.

### **B. Proposal for discharge from liability of the former members of the management board of Perekrestok Holdings B.V. (voting item)**

It is proposed to the General Meeting to discharge the former members of the management board of Perekrestok Holdings B.V. in office from 1 January 2021 up and including 5 October 2021 from all liability in relation to the exercise of their duties from 1 January 2021 up and including 5 October 2021, to the extent that such exercise is apparent from the 2021 financial statements of Perekrestok Holdings B.V. or other public disclosures prior to the adoption.