



Extraordinary 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 an extraordinary general meeting of shareholders of the Company to be held at Zuidplein 196, 1077 XV Amsterdam, The Netherlands at 11.00 am CET on 30 November 2022 (the "EGM").

Agenda

1. Opening
2. Composition of the Supervisory Board:
 - A. Appointment of Dmitry Alekseev as member of the Supervisory Board (**voting item**)
 - B. Appointment of Vasileios Stavrou as member of the Supervisory Board (**voting item**)
 - C. Appointment of Leonid Afendikov as member of the Supervisory Board (**voting item**)
3. Amendment of the remuneration policy for the members of the Management Board (**voting item**)
 - A. Adjustments in long-term incentive plan
 - B. Remuneration of the CEO
4. Remuneration of the Supervisory Board
 - A. Amendment of the remuneration policy for members of the Supervisory Board (**voting item**)
 - B. Settlement of the current equity-based remuneration component (**voting item**)
5. Any other business and conclusion

Persons with the right to vote and/or the right to attend the EGM are considered to be those persons who on **2 November 2022** after processing of all debit and credit entries up to and including that day (the "**Record Date**") are registered as holders of global depository receipts ("**GDRs**") in the register of GDR holders maintained by The Bank of New York Mellon (the "**Depositary**").

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, 19 October 2022

Peter Demchenkov
Chairman of the Supervisory Board



Explanatory Notes to the Agenda

2. Composition of the Supervisory Board

A. Appointment of Dmitry Alekseev as member of the Supervisory Board (voting item)

The Supervisory Board proposes to appoint Dmitry Alekseev 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.

Dmitry Alekseev, a Russian national (b. 1974), is founder, co-owner and president of DNS (Digital Network System) Group, a retail network specialising in digital and household appliances as well as computer manufacturing. Dmitry holds degrees in engineering and law from Far Eastern Federal University in Vladivostok and has an MBA from Moscow State University's Higher School of Business.

The Supervisory Board recommends appointing Dmitry Alekseev in view of his proven track record and extensive expertise in large retail company management, as well as his in-depth board-level experience. Dmitry Alekseev has no shareholding in the Company.

B. Appointment of Vasileios Stavrou as member of the Supervisory Board (voting item)

The Supervisory Board proposes to appoint Vasileios Stavrou 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.

Vasileios Stavrou, a Greek national (b. 1970), worked almost 30 years at Ahold Delhaize, where he served in various roles throughout the group, ultimately being appointed as Brand President at Alfa Beta in Greece in 2018. Vasileios Stavrou is a M.Sc. in Food Science and Technology from Aristotle University of Thessaloniki and has a post graduate diploma in Business Administration from the Hellenic Management Association.

The Supervisory Board recommends appointing Vasileios Stavrou in view of his significant track record and leadership experience in a major global grocery retailer, and his functional experience in different areas including HR and organizational development, sustainability, mergers and acquisitions, business development, supply chain, food safety and quality assurance, coupled with the ability to think strategically and take a long-term view. Vasileios Stavrou has no shareholding in the Company.

C. Appointment of Leonid Afendikov as member of the Supervisory Board (voting item)

The Supervisory Board proposes to appoint Leonid Afendikov 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.

Leonid Afendikov, a Russian national (b. 1978), is currently Director of Group Portfolio Management at CTF Consultancy Ltd. From 2012 to 2021, he held senior positions at Alvarez & Marsal, including as Managing Director, and has extensive legal, financial, tax and accounting experience, including work for McKinsey and



private shareholders. Leonid graduated with honors from the Financial Academy under the Government of the Russian Federation (currently the Financial University under the Government of the Russian Federation).

The Supervisory Board recommends appointing Leonid Afendikov in view of his strong financial expertise combined with in-depth experience in customer-oriented businesses. Leonid Afendikov is not independent in the sense of the Dutch Corporate Governance Code. He has no shareholding in the Company.

3. Amendment of the remuneration policy for members of the Management Board (voting item)

A. Adjustments in long-term incentive plan

In view of the unexpected geopolitical developments taking place since 24 February 2022 and their impact on the Company's strategic priorities, the Supervisory Board closely engaged with management on necessary adjustments of both the short- and long term remuneration principles and targets. Following this review, the Supervisory Board proposes certain adjustments to the 2021-2023 long-term incentive plan as adopted by the General Meeting in May 2021. The proposed adjustments are described in the remuneration policy amendment proposal as presented to the General Meeting. Going forward, the Supervisory Board will continue to collect feedback from shareholders and other stakeholders in order to achieve maximum alignment on X5's remuneration policies.

B. Remuneration of the CEO

Igor Shekhterman serves as CEO and Chairman of the Management Board of the Company since 2015, having been re-appointed twice for two additional years in 2019 and 2021. As approved by the General Meeting, and reflected in the remuneration policy for the Management Board, Igor Shekhterman's total reward package includes a termination bonus of up to USD 5 million payable at the discretion of the Supervisory Board. On 22 September 2022 the Company announced the Supervisory Board's recommendation to extend Igor's contract for another two-year term ending on the day of the AGM in 2025. In recognition of Igor's commitment to extend his mandate, as such protecting the continuity of the Company and its leadership in an increasingly challenging environment, the Supervisory Board proposes to substitute part (75%) of Igor Shekhterman's termination bonus for a contract extension bonus, whereby the remaining part (25%) shall be payable to Stephan DuCharme for his invaluable contribution to the Company since 2008, both as member and later Chairman of the Supervisory Board, and CEO from 2012 to 2015. Stephan stepped down from the Board on 1 March 2022.

4. Remuneration of the Supervisory Board

A. Amendment of the remuneration policy for members of the Supervisory Board (voting item)

Under the remuneration policy for the Supervisory Board the remuneration of independent Supervisory Board members is composed of a fixed cash remuneration and an equity-based reward. The equity-based reward is not subject to performance criteria, and awarded in the form of restricted stock units that are converted into X5 global depository receipts (X5 GDRs) upon vesting. Since the trading of X5 GDRs at the London Stock Exchange was suspended in March 2022, the current equity-based remuneration plan of the Supervisory Board is no longer operational. It is therefore proposed to terminate the restricted stock plan and have it replaced by a phantom stock plan comparable in terms and size of awards. The equity-based remuneration under the new phantom stock plan is described in the remuneration policy amendment proposal as presented to the General Meeting.



The Company acknowledges that equity-based remuneration to members of the Supervisory Board constitutes a deviation from the Dutch Corporate Governance Code. However, X5 believes it is necessary to compensate members of the Supervisory Board in the form of equity to align their interests with the long-term interests of shareholders and strengthen their commitment to the future of the Company. Equity-based awards to members of the Supervisory Board are always matching their annual board fee and not subject to performance criteria.

B. Settlement of the current equity-based remuneration component (voting item)

In connection with the termination of the restricted stock plan as described in agenda item 4A, the Supervisory Board proposes to approve the accelerated vesting and cash settlement of restricted stock units (RSU's) awarded in 2019, 2020 and 2021 to Stephan DuCharme who stepped down from the Supervisory Board on 1 March 2022 and Nadia Shouraboura who's term in office came to an end at the 2022 AGM. The proposed settlement in cash shall be based on the X5 GDR value at the Moscow Exchange on 22 September 2022, the date the Supervisory Board resolved to terminate the restricted stock plan.

	RSUs outstanding as per 31/12/2021	Accelerated Vesting	MOEX Value on vesting date in EUR (22 Sept 2022) ¹	Gross settlement amount
S. DuCharme	24,190	24,190	21.06	€ 509,423.86
N. Shouraboura	16,171	13,571	21.06	€ 285,805.21
TOTAL	40,361	37,761		€ 795,229.07

For Peter Demchenkov, Chairman of the Supervisory Board, the Supervisory Board proposes a transition scheme for restricted stock units awarded in 2019, 2020 and 2021, i.e. vesting of the 2019 RSU awards based on the X5 GDR value at the Moscow Exchange on 22 September 2022, and vesting of the 2020 and 2021 RSU awards in line with the vesting schedule under the restricted stock plan, with the option to settle RSUs in cash upon vesting in resp. 2023 and 2024 based on the X5 GDR value at the Moscow Exchange or other exchange where X5 GDRs are primarily traded at the time of vesting.

	RSUs outstanding as per 31/12/2021	Accelerated Vesting of 2019 awards	MOEX Value on vesting date in EUR (22 Sept 2022) ¹	Gross settlement amount
P. Demchenkov	32,189	8,941	21.06	€ 188,290.98

¹MOEX Value on vesting date in EUR is calculated as average GDR Price on MOEX on 22 September (RUB 1.268,00) divided by respective EURO exchange rate on 22 September as set by the Central Bank of Russia (RUB 60,211 per € 1)