

CORPORATE GOVERNANCE ASSESSMENT

The Board of Directors monitors the practice of corporate governance in the Company and plays a key role in material corporate events of M.Video–Eldorado Group. Assessing corporate governance falls within the remit of the Board of Directors and is also one of the tasks of the Company's internal audit function.

PJSC M.video conducts an annual assessment of compliance with the principles and recommendations of corporate governance enshrined in the Corporate Governance Code recommended by the Bank of Russia (hereinafter also referred to as the 'Code'). Every

year, the Company strives to improve compliance with the principles and recommendations of the Code and discloses information on compliance with these principles and recommendations.

As part of its efforts to improve the Company's corporate governance system, an external consultant conducted an assessment in 2017 of the work of the Board of Directors for 2016. In 2020, the Company plans to engage an external consultant to assess the work of the Company's Board of Directors. In addition, the Company plans to conduct a self-assessment of the work of the Board of Directors in 2019.

GENERAL MEETING OF SHAREHOLDERS

THE GENERAL MEETING OF SHAREHOLDERS IS THE COMPANY'S SUPREME GOVERNING BODY. IT IS CONVENED BY THE BOARD OF DIRECTORS AT LEAST ONCE A YEAR. DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS ARE BINDING ON THE BOARD OF DIRECTORS, THE MANAGEMENT BOARD, THE PRESIDENT AND THE CEO, AS WELL AS ALL COMPANY EMPLOYEES.

The remit of the General Meeting of Shareholders includes the following key issues in particular:

- determining the number of members of the Board of Directors, as well as the election and early termination of Board members;
- electing the members of the Company's Audit Commission and the early termination thereof;
- approving the auditor;
- distributing the Company's profits (including the announcement of dividends) and losses;
- paying out (announcing) dividends based on the results for Q1, H1, Q3 and the reporting year.

General meetings of shareholders are held annually. On the basis of a decision by the Board of Directors, the Annual General Meeting of Shareholders is held not earlier than two months and not later than six months after the end of the fiscal year.

A general meeting of shareholders may be held in the form of an in-person meeting or by absentee voting. In accordance with the Charter, the Company informs shareholders about general meetings by posting a message on the Company's official website. Other materials provided to shareholders in preparation for general meetings are also posted on the Company's website.

<http://invest.mvideo.ru/eng/>



General meetings of shareholders of PJSC M.video held in 2018

Type and date of general meeting	Decisions of the General Meeting of Shareholders
Extraordinary 13 April 2018	<ul style="list-style-type: none"> • A decision was made to consent to a material, interested-party transaction (related transactions): the Company entered into a pledge and surety agreement for a loan from VTB Bank (PJSC) in order to acquire Bovesto Limited (the parent company of LLC ELDORADO)
Annual 29 June 2018	<ul style="list-style-type: none"> • A decision was taken not to distribute the Company's net profit for the year • The size of the Board of Directors was set at 14 members • The Board of Directors and the Audit Commission were elected • JSC Deloitte & Touche CIS was approved as the auditor of the Company's annual financial statements in accordance with RAS and IFRS • The amount of remuneration and compensation of expenses for members of the Board of Directors and the Audit Commission for the period from July 2018 through June 2019 was determined

¹ RAS stands for Russian Accounting Standards.

An Extraordinary General Meeting of Shareholders held on 18 January 2019 took a decision to elect a new Board of Directors for the Company. In accordance with the decision, Andreas Blase, Ceconomy Vice President for Mergers and Acquisitions/Portfolio Management, and Chief Investment Officer and member of the Management Board of MediaMarktSaturn Retail Group, joined the Board of Directors. Maxim Kalyuzhny, Director of Legal and Corporate Affairs of GCM Global Energy PLC, left the Board of Directors.

In order to comply with the recommendations of the Corporate Governance Code recommended for use by the Bank of Russia, PJSC M.video includes the position of the Board of Directors concerning agenda items in the materials for the Annual General Meeting of Shareholders.

In 2019, the Company is conducting an analysis of the possibility of using telecommunications to provide shareholders with remote access to participate in the General Meeting of Shareholders.

BOARD OF DIRECTORS

THE BOARD OF DIRECTORS IS A COLLEGIAL MANAGEMENT BODY THAT EXERCISES OVERALL STRATEGIC MANAGEMENT OF THE ACTIVITIES OF PJSC M.VIDEO, THE FORMATION OF EXECUTIVE BODIES AND OVERSIGHT OF THEIR ACTIVITIES, AS WELL AS OBSERVANCE OF THE RIGHTS AND LEGITIMATE INTERESTS OF THE COMPANY'S SHAREHOLDERS.

In accordance with the Charter, the Board of Directors is responsible for making the following key decisions on issues related to management of the Company:

- determination of the Company's priority areas of activity and development strategy, as well as oversight of their implementation by executive bodies;
- approval of the Company's Annual Report and its annual financial statements in accordance with RAS and IFRS;
- approval of the Company's risk management and internal control system, Risk Management and Internal Control Policy, and risk matrix;
- assessment of the Company's corporate governance practices;
- approval of the Regulation on Internal Audit, assessment of the work of the head of the Internal Audit Division, approval of reports on its work, approval of the Internal Audit Plan for the calendar year and the introduction of changes thereto;

- recommendations on the amount of dividends, the form and procedure for the payout thereof, and approval of the Company's Dividend Policy Regulation;
- approval of major transactions and interested-party transactions in accordance with the criteria specified by law and the Charter;
- preliminary approval of the actions and decisions on the part of the Company's authorised representatives at meetings of participants and on boards of directors of Company subsidiaries or other organisations in which the Company has a stake when making decisions on key issues related to the activities of these organisations;
- other issues stipulated by the Company's Charter and the laws of the Russian Federation.

The Board of Directors is formed by the General Meeting of Shareholders and is accountable to the General Meeting. The Board of Directors must have at least seven members.



At the Annual General Meeting of Shareholders on 29 June 2018, the size of the Board of Directors was set at

14
members