

1 GENERAL PROVISIONS

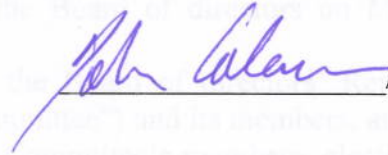
1.1. This By-law on the Remuneration and Nomination Committee (hereinafter referred to as the "By-law") has been drafted in accordance with the laws of the Russian Federation (hereinafter "the Law"), the Charter of the Company and relevant recommendations of the Code of Corporate Governance. This By-law cancels the By-law on the Remuneration and Nomination Committee approved by the Board of Directors of the Company on 15.09.2015 (Minutes №113/2015 dated 15.09.2015).

APPROVED

By the Board of Directors
of the PJSC «M.video»

(Board Minutes №113/2016 dated 15.09.2016)

Chairman of the Board of Directors

/John Coleman/

1.2. The By-law shall define the authority of the Remuneration Committee (hereinafter "the Committee") and its members, and further shall define the rights and responsibilities of the Committee's members, election procedure, composition and dismissal of Committee members, meeting organization and procedures, as well as the remuneration of Committee members. The Committee has been established to assist the Board of directors in performing its guidance and oversight functions effectively and efficiently, and is specifically charged with identifying suitable candidates for recruitment and assessment of qualified personnel and ensuring that the Company and its subsidiaries follow remuneration policies and practices, support the growth and recruitment, development and retention of the personnel.

1.3. All proposals developed by the Committee are recommended only and do not have binding effect on the Board of Directors.

BY - LAW ON THE REMUNERATION AND NOMINATION COMMITTEE

2.1. The following issues shall be regulated by the By-law:

Public joint-stock company "M. video" (new edition)

2.1.1. As to the nomination of the members of the Board of Directors and the Management Board (hereinafter "the Board of Directors") of the Company and its subsidiaries:

2.1.1.1. Determine criteria for the selection of candidates to be Board of Directors of the Company and its subsidiaries and candidates for the members of the executive body of the Company and its subsidiaries;

2.1.1.2. Perform a professional check of the independence and objectivity of recommendations to the Board of Directors regarding the candidates to the Board of Directors in the Management Board (hereinafter "the Board of Directors") of the Company and its subsidiaries; and also key employees of the Company and its subsidiaries;

2.1.1.3. Cooperate with shareholders and shall not be bound by the vote of the majority of shareholders in the process of creating the Board of Directors of the Company and its subsidiaries and shall not be bound by the vote of the majority of shareholders in the process of creating the Board of Directors of the Company and its subsidiaries and shall not be bound by the vote of the majority of shareholders in the process of creating the Board of Directors of the Company and its subsidiaries;

2.1.1.4. Preparation of recommendations to the shareholders on voting for candidates nominated for election to the Board of Directors of the Company based on the analysis of their professional background, motivation and independence of the candidates proposed for election to the Board of Directors;

2.1.1.5. Preparation of recommendations to the Board of Directors regarding an individual or several persons of the person performing functions of the executive body of the Company and its subsidiaries (hereinafter "the Management Board") established in the Company and its subsidiaries) key managers (or key managers) of the Company and its subsidiaries;

Moscow, 2016

1. The By-law is approved by the Board of Directors of the Company on 15.09.2016 (Board Minutes №113/2016 dated 15.09.2016).

1 GENERAL PROVISIONS

- 1.1. This By-law on the Remuneration and Nomination Committee (hereinafter “the By-law”) of the Board of directors of the Public Joint Stock Company “M.video” (hereinafter “the Company”) has been drafted in accordance with the laws of the Russian Federation (hereinafter “the Law”), the Charter of the Company, Regulation on the Board of directors of the Company and relevant recommendations of the Code of Corporate Governance. This By-law cancels the By-laws on the Board of directors’ Remuneration and Nomination Committee approved by the Board of directors on March 26, 2015 (Minutes №96/2015 dated 26.03.2015).
- 1.2. The By-Law shall define the authority of the Board of directors’ Remuneration and Nomination Committee (hereinafter “the Committee”) and its members, and further, shall define the rights and responsibilities of the Committee’s members, election procedures, composition and dismissal of Committee members, meeting organization and procedures, as well as the remuneration of Committee members. The Committee has been established to assist the Board of directors in performing its guidance and oversight functions effectively and efficiently, and is specifically charged with identifying criteria of recruitment and assessment of qualified personnel and ensuring that the Company and its subsidiaries follow remuneration policies and practices, support the successful recruitment, development and retention of the personnel.
- 1.3. All proposals developed by the Committee are recommendations only and thus non-binding to the Board of directors.

2 AUTHORITY

- 2.1. The following issues shall fall within the authority of the Committee:
 - 2.1.1. As to the nomination to different positions in the Company and its subsidiaries:
 - 2.1.1.1. Determine criteria for the selection of candidates to the Board of directors, to the Management Board (once it is established in the Company and its subsidiaries) and candidates for the positions of sole executive body of the Company and its subsidiaries;
 - 2.1.1.2. Preliminary evaluation of the candidates, check of their independency and preparation of recommendations to the Board of directors regarding the candidates to the Board of directors, to the Management Board (once it is established in the Company and its subsidiaries) and candidates for the positions of the sole executive body, , Corporate secretary, and other key employees of the Company and its subsidiaries¹;
 - 2.1.1.3. Cooperation with shareholders which shall not be limited only by the list of majority shareholders in the context of creating the list of candidates’ nominated to the Board of directors of the Company in order to form the Board of directors which fully meets all goals and tasks of the Company and its subsidiaries and complies with the requirements mandatory for the Company;
 - 2.1.1.4. Preparation of recommendations to the shareholders on voting for candidates’ nominated for elections to the Board of directors of the Company basing on the analysis of their professional background, qualification and independency of the candidates nominated for elections to the Board of directors;
 - 2.1.1.5. Preparation of recommendations to the Board of directors regarding any nomination, election or participation of the person performing functions of the sole executive body , member(s) of the Management Board (once it is established in the Company and its subsidiaries), key manager(s) of the top level and key manager(s) of the

¹*Other key employees – Finance Director, Executive Director, Head of Internal Audit; Key managers of the top level of the company’s subsidiaries – key managers of the top level as defined by the Appendix 1.3.to the Policy on salary, motivation system and benefits*

middle level of the Company and/or its subsidiaries in the governing and executive and controlling bodies of the other legal entities (irrespective of its legal form) as well as any involvement, engagement or participation in any other activity outside the Company and/or its subsidiaries (like consulting, tutoring, running of one's own business and etc);

- 2.1.1.6. Develop and approve the substantial obligations of the Company and ways of its provision, the material terms and conditions of employment contracts including those on early contract termination with the members of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top level of the Company and its subsidiaries;
- 2.1.1.7. Develop criteria and procedures for performance assessment of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body and key managers of the top level of the of the Company and its subsidiaries;
- 2.1.1.8. Preliminary assess the performance of the members of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top level of the Company and its subsidiaries for the calendar year results according to the remuneration policy of the Company and its subsidiaries and prepare proposals for the Board of directors on their second appointment/extinction of the employment contract.
- 2.1.1.9. Develop criteria for determining a director's of the Board independence, keep shareholders informed of the directors' independent status (or loss thereof) and secure immediate disclosure of any circumstances due to which Board directors' status of independence is lost;
- 2.1.1.10. Organize training programs for the Board members, person performing functions of the sole executive body, key managers of the top level of the Company and its subsidiaries devoted to the corporate governance and business ethics;
- 2.1.1.11. Develop instructions and an induction program for newly-elected directors to the Board, which contain a detailed description of their duties as Board members; and
- 2.1.1.12. Planning of the employees' appointments considering among others the succession of the members of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top level of the Company and its subsidiaries which includes developing of the policies for planning and implementing a smooth succession.
- 2.1.1.13. Evaluate composition of the Board of directors from the point of view of their professional specialization, background and experience, independence, involvement in the Board's activity and determine priorities for strengthening the Board of directors composition;
- 2.1.1.14. Develop and describe on the individual basis duties of the Board members and Chairman of the Board of directors of the Company, including determination of the time which shall be devoted to the issues related to the Company's and its subsidiaries' activity within the frames of the Board meetings and out of these frames, in the course of the planned Board's activity and ad hoc needs. Such description (separate for each Board member and Board Chairman) shall be approved by the Board of directors and shall be hand delivered to each Board member and Board Chairman after their elections;
- 2.1.1.15. Annual detailed self-assessment of the Board of directors and its members' performance or at least once in 3 years external assessment of the Board of directors' performance and its members, and activities of the Committees under the Board from the point of view of its efficiency in general and personal contribution of each member inter alia; and development of recommendations to the Board of directors

regarding improvement of the Board's and its Committees' activity and activity of the Corporate secretary;

- 2.1.1.16. Preparation of the report on the results of the Committee's performance for review and approval by the Board of directors and its further inclusion to the Company's Annual report.

2.1.2. As to the remuneration for different positions in the Company and its subsidiaries:

- 2.1.2.1. Develop and regular update a Remuneration Policy for the Board members, members of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top level of the Company and its subsidiaries focused to increase the capitalization of the Company and based on the principle of personal contribution of everyone in achieving the strategic goals of the Company and/or its subsidiaries and control over implementation of such a Policy:
 - a) Develop remuneration criteria for the members of the Board of directors that allow the Company to offer competitive compensation not affecting the independency status of its members;
 - b) Develop and periodically review determination criteria for the fixed (annual) salary, the variable (annual) bonus system based on key financial and non-financial performance indicators of the Company and its subsidiaries, conditions of the long-term incentive program to align the interests of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top level with those of the Company's shareholders, as well as benefit plans;
 - c) Recommendations to the Board of directors of the Company regarding determination of the remuneration amount and principles of motivation of the Corporate secretary of the Company;
- 2.1.2.2. Continuously monitor the appropriateness of the existing remuneration criteria, based on the Company's and/or its subsidiaries' development strategy, financial position and major trends on the labor market; and
- 2.1.2.3. Exercise control over the implementation of the decisions of the General Meeting of Shareholders (GMS) related to the determination of the remuneration amount of the members of the Board of directors.
- 2.1.2.4. Monitor and control over the information subject to disclosure under legislation of the Russian Federation, listing rules and other regulatory requirements binding for the Company.

3 RIGHTS AND RESPONSIBILITIES

- 3.1. The Committee shall have the following rights:
 - 3.1.1. Request any documents, reports, explanations and other relevant information from the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top level of the Company and its subsidiaries;
 - 3.1.2. Invite the Company's and its subsidiaries' members of the Management Board (once it is established in the Company and its subsidiaries), person performing functions of the sole executive body, key managers of the top and middle level of the Company and its subsidiaries to its meetings as guests and address questions to them and receive corresponding explanations and clarifications;
 - 3.1.3. Resort to the services of outside consultants, experts, and advisers; and
 - 3.1.4. Perform any other duties required by the Board of directors within the scope of the authority of the Committee as set forth herein.

- 3.2. The Committee shall conduct on a regular basis review and assessment of this By-law in conformity with applicable Russian law requirements and make recommendations to the Board of directors regarding any amendments hereto it deems appropriate.
- 3.3. The Committee shall report to the Board of directors on a regular basis (after the Committee meeting but not less than once in six months) on the results of its activity.
- 3.4. Further, Committee members shall:
 - 3.4.1. Participate in the activities and work of the Committee, and attend all its meetings;
 - 3.4.2. Keep abreast of industry and market trends, advances in information technology, and other areas of strategic importance to the Company;
 - 3.4.3. Treat all information that became known to them in the course of performing their official duties and functions of Committee members as confidential information;
 - 3.4.4. Inform the Board of directors of any changes in their status of independency or any conflict of interest which may raise as results of the decisions taken by the Board of directors based on Committee's recommendations;
 - 3.4.5. Abstain from any recommendation on the items of the agenda having a conflict of interest;
 - 3.4.6. Conduct annual reviews and assessments of the Committee activities and its members, including a review of the Committee's compliance with this By-law.

4 ELECTION PROCEDURES, COMPOSITION AND DISMISSAL

- 4.1. The Committee shall consist of at least 3 members elected by a majority of the votes of all members of the Board of directors of the Company participated in the voting.
- 4.2. The term of office of the Committee members shall coincide with their term of office in the Board of directors.
- 4.3. Only independent directors of the Board meeting the independency criteria provided by the Regulation of the Board of directors of the Company as well as by listing rules of the stock exchange on which Company's securities are admitted for trading can be elected to the Committee but if it is not possible due to the objective reasons majority of the Committee can be presented by the independent directors, while minority can be presented by the non-executive members of the Board. Chairman of the Committee must be independent.
- 4.4. The person performing functions of the sole executive body may not be a member of the Committee.
- 4.5. Members of the Committee must possess the necessary knowledge, experience and skills in interacting with the Company's and its subsidiaries' key managers of the top level.
- 4.6. The Board of directors may, at any time, with or without cause, dismiss any member of the Committee, or re-elect the entire Committee.

5 MEETING ORGANIZATION AND PROCEDURES

- 5.1. The Committee shall be headed by a Chairman elected by a majority of the votes of all members of the Board of directors, participated in the voting.
- 5.2. Committee Meetings shall serve as the main form for carrying out of its work and activity.
- 5.3. Meetings may be conducted whenever and as often as necessary to properly carry out the Committee's functions and duties in a timely manner. However, at a minimum, the Committee should conduct 1 meeting every 6 months.
- 5.4. Meetings may be called by the Chairman of the Committee, any member of the Committee, Chairman of the Board of directors as well as upon request of the person performing functions of the sole executive body of the Company.
- 5.5. Meetings may be held in the following forms: joint presence, absentee voting, in person and in absentia by means of video and/or telephone conference.

- 5.6. A quorum shall be deemed present at any meeting of the Committee if at least 2 (two) of the Committee members are present. Decisions of the Committee shall be taken by the majority votes of members participated in the meeting.
- 5.7. The Secretary of the Committee shall be responsible for giving an advance notice to all of the Committee members of the meeting and its agenda, date of the meeting and ensure the availability of all necessary information on the agenda items not less than 5 days prior to such meeting. Such notice shall be given in any form deemed convenient and agreed upon by the Committee members, e.g. by fax or electronic mail. Information and materials for Committee meeting shall be uploaded to the iPads through Blue Print Board Pad solution system.
- 5.8. Minutes of each meeting of the Committee shall be signed by the Chairman and the Secretary of the Committee. Functions of the Secretary shall be performed by the Corporate secretary of the Company or by any other person authorized by the Committee.
- 5.9. Minutes shall be submitted to the Chairman of the Board of directors or the Corporate Secretary for keeping. Any member of the Committee having a dissenting opinion should submit such opinion together with the Minutes of the Committee.

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Мухомерови Елена Сергеевна
РНО «Н. Вупе»
Chairman of the Board of Directors



...shall be decided present at any meeting of the Committee if at least 3 (two) of
the Committee members are present. Decisions of the Committee shall be taken by the
majority vote of members participated in the meeting.
2.7 The Secretary of the Committee shall be responsible for giving an advance notice to all of
the Committee members of the meeting and for a written list of the meeting and ensure
the availability of all necessary information on the goods items not less than 5 days prior
to such meeting. Such notice shall be given during formal meeting announcement and agreed
prior to the Committee meeting. If the list of goods items is not submitted to the Board
members by the Committee meeting shall be considered as if it was submitted to the Board
members by the meeting.
2.8 Minutes of each meeting of the Committee shall be signed by the Chairman and the
Secretary of the Committee. Decisions of the Committee shall be confirmed by the
Chairman and Secretary of the Committee. For signature person authorized by the Committee
minutes shall be submitted to the Chairman of the Board of Directors of the Company
Secretary for keeping. Any minutes of the Committee having a decision taken should
submit such opinion together with the minutes of the Committee.