APPROVED

On 13<sup>th</sup> of September, 2016 by the Board of Directors of the Public Joint Stock Company "M.video" (Minutes №113/2016 dated September 15, 2016)

Chairman of the Board of directors

REGULATION
ON THE CORPORATE SECRETARY
of the Public Joint Stock Company "M.video"

#### 1. General Provisions

- 1.1. This Regulation on the Corporate secretary (hereinafter the "Regulation") of the PJSC "M.video" (hereinafter the "Company") was drafted and approved pursuant to the laws of the Russian Federation, Charter of the Company (hereinafter the "Charter"), provisions of the Code of corporate governance adopted by the Bank of Russia as well as requirements of the stock exchange on which Company's securities are admitted for trading and other internal documents of the Company and best practices of corporate governance.
- 1.2. The Corporate secretary of the Company (hereinafter the "The Corporate secretary") is the Company official appointed by the Board of directors to take all measures needed for preparation and convention of the General meetings of shareholders and meetings of the Board of directors and its committees in accordance with the laws of the Russian Federation, Charter of the Company and other internal documents of the Company. The Corporate secretary also ensures implementation and compliance with procedures aimed to secure rights and interests of the Company's shareholders, controls fulfillment of these procedures. Effective cooperation with the shareholders, coordination with the Company in shareholders' rights and interest's protection and effective support to the Board of directors' activity are provided by the Corporate secretary.
- **1.3.** The Corporate secretary acts in subordination to the Board of directors of the Company
- **1.4.** The Corporate secretary acts in accordance with the laws of the Russian Federation, Charter of the Company, Regulation on the Board of directors, Regulation on the General meetings of shareholders, decisions of the General meetings of shareholders and those of the Board of directors, present Regulation and other internal documents of the Company, decisions of the General meetings of shareholders and Board of directors of the Company.
  - The Corporate secretary interacts with any executive bodies, divisions, officers and employees of the Company and its subsidiaries to the extent needed for proper performance by the Corporate secretary of his/her functions. Executive bodies and officers of the Company and its subsidiaries shall assist the Corporate secretary in his/her fulfillment of the duties.
- **1.5.** For the compliance with the independency principle requirements, the person taking a Corporate secretary position shall not hold concurrently other positions in the Company and its subsidiaries excluding however performance of duties which can be entrusted with the Corporate secretary by the laws of the Russian Federation.
- **1.6.** Information about the person performing functions of the Corporate secretary shall be disclosed on the website of the Company and shall be included in the Annual report of the Company.

#### 2. Corporate secretary's Functions

### 2.1. Corporate secretary's functions on calling and convention of the General meetings' of shareholders:

- 2.1.1. take all necessary measures securing preparations to and holding of the General meetings of shareholders subject to a corresponding decision on calling of the General meeting of shareholders;
- 2.1.2. take all necessary measures securing preparations of the list of persons entitled to participate in the General meeting of shareholders and filing of a corresponding request to the Company's Registrar on the provision of such list;
- 2.1.3. preparation of the persons' list willing to speak on items of the General meeting of shareholders and its provision to the Chairman of the General meeting;
- 2.1.4. preparation of the questions list to the speakers and its provision to the Chairman of the General meeting;
- 2.1.5. take all necessary measures securing proper notification of persons entitled to participate in the General meeting of shareholders on the convention of the General meeting of shareholders, preparation and delivery of the ballot papers for voting to the shareholders together with notification of all members of the Board of directors, General director (managing company, manager),

Management Board (if such body is established), members of the Revision commission, Company's Auditor;

- 2.1.6. preparation of the materials which shall be provided in the course of preparations to the General meeting of shareholders to the shareholders of the Company, affording access to it and provision of its copies on request of persons entitled to participate in the General meeting of shareholders:
- 2.1.7. collection of all filled in and signed ballot papers delivered to the Company and its further provision to the Registrar of the Company performing functions of the Counting commission if under the laws of the Russian Federation function of the Counting commission shall be performed by the Registrar;
- 2.1.8. take all necessary measures securing compliance with registration procedures' requirements for participation in the General meeting of shareholders, arranging of the record, issue and signing of the Minutes of the General meeting of shareholders and Report on the voting results at the General meeting of shareholders;
- 2.1.9. answer questions put by participants of the General meeting of shareholders' related to preparation and holding procedures for such shareholders' meetings and take all necessary measures for settlement of disputes related to preparation and holding procedures of the General meeting of shareholders:
- 2.1.10. sending out requests to candidates nominated for elections to the Board of directors on provision of their written consents to be elected to a corresponding executive body of the Company, if agenda of the General meeting of shareholders contain the item on Board of directors' elections.

# 2.2. Corporate secretary's functions on preparation and convention of the Board of directors' meetings and meetings of the Board committees:

- 2.2.1. take all necessary measures securing preparations to and holding of the Board of directors' meeting, arrangement of all related organization matters according to the legislation requirements and provisions of the internal documents of the Company;
- 2.2.2. notify all Board members on the convention of the Board meeting, deliver ballot papers for voting if necessary, collect the filled in and signed ballots, count the voting results, collect written opinions of the Board members who were not physically present at the meeting with its further transfer to the Board Chairman; ensure preparation and delivery of the documents (materials) necessary for the calling and holding of the Board meeting (including notice on the place, time and form of the meeting, draft decisions on items of the Agenda for preliminary review and etc.);
- 2.2.3. prepare and provide the Chairman of the Board with the draft agenda of the Board of directors' meeting according to the Board meetings' schedule and proposals received from other Board members, members of the Revision commission, Auditor of the Company and General director (managing company, manager);
- 2.2.4. prepare the list of participants of the Board of directors' meeting;
- 2.2.5. follow and comply with the proper procedures for convention of the Board meeting held by joint presence, including keeping of the Board meeting Minutes;
- 2.2.6. draft and sign the Board meeting Minutes and extracts thereof;
- 2.2.7. deliver and bring to the notice of the executive bodies, divisions (departments) and officers of the Company and/or its subsidiaries (entities controlled by the Company) documents approved and adopted by the Board of directors;
- 2.2.8. technical arrangement of the voting process at the Board of directors' meeting;
- 2.2.9. organize preparation and provision of documents (information) by the executive bodies, divisions and officers of the Company and its subsidiaries (entities controlled by the Company) upon Board of directors' request;
- 2.2.10. control over the performance and implementation status of the decisions taken by the Board of directors and General shareholders' meeting;

- 2.2.11. prepare requests on the provision of materials (information) on items of the Board meeting agenda to the executive bodies, divisions and officers of the Company and its subsidiaries (entities controlled by the Company);
- 2.2.12. check consistency and validity (within the scope of the Corporate secretary's authority and status) of the information, the correctness of formal execution of documents presented for the Board of directors' review and approval;
- 2.2.13. prepare drafts of separate documents and draft decisions of the Board of directors upon request of the Chairman of the Board of directors (Deputy Chairman of the Board) including plan of Board of directors' activity;
- 2.2.14. systematize and keep the archive of the documents and materials of the Board of directors;
- 2.2.15. assist members of the Board of directors in obtaining of any information which they need and for this purpose the Corporate secretary acknowledge the Board members with the orders of the General director (managing company, manager), other documents of the executive bodies, Minutes and reports of the Revision commission, Auditor of the Company as well as accounting documents subject to the Board of directors' Chairman decision; prepare drafts of requests and official responds on behalf of the Board of directors' of the Company;
- 2.2.16. organize induction trainings for newly elected Board directors and brief on all procedures that regulate the Board of directors' activity and other executive bodies of the Company, organizational structure of the Company, acknowledge with all managers and divisions of the Company and/or its subsidiaries (entities controlled by the Company), with all effective internal policies and regulations of the Company, applicable decisions of the General shareholders' meeting and those of the Board of directors, provide any other information that may be required by the Board members for the appropriate discharge of their duties and in cases when corresponding request is made by such newly elected Board members;
- 2.2.17. inform and advise the Board members on legislation requirements of the Russian Federation and other internal corporate regulations which govern preparation and convention of the General shareholders' meetings, meetings of the Board of directors, information disclosure about the Company;
- 2.2.18. organize cooperation between Board of directors and executive bodies of the Company, committees of the Board, other officers and divisions of the Company as well as officers of the Company's subsidiaries (entities controlled by the Company).
- 2.2.19. immediately inform the Board of directors by e-mail on all disclosed facts of breached legal requirements of Russia and well as internal documents of the Company and Company's subsidiaries (entities controlled by the Company) compliance with which is within the functional scope of the Corporate secretary.

## 2.3. Corporate secretary's functions on disclosure of information about the Company and keeping of the Company's documents:

- 2.3.1. secure compliance with the requirements on keeping and disclosure of the information about the Company prescribed by the legislation of the Russian Federation, Charter, other internal corporate documents of the Company and in-line with good Corporate Governance;
- 2.3.2. control and/or fulfillment of law requirements on full, timely and reliable disclosure of the information by the Company, including prospectus on issue of the securities, issuers' quarterly reports, annual reports, as well as information in the form of corporate event (material facts that may affect the financial and business performance of the Company) and/or in any other forms required by the legislation of the Russian Federation;
- 2.3.3. arrange safe-keeping of, access to and copies' provision of the documents listed in the article 21.6. of the Company's Charter. Copies of such documents shall be certified by the Corporate secretary signature;
- 2.3.4. prepare and provide the report on the corporate governance according to the listing rules of a corresponding stock exchange (if applicable);
- 2.3.5. control over provision of information subject to public disclosure under laws by the divisions of the Company, its subsidiaries (entities controlled by the Company) and by other affiliated parties;

- 2.3.6. keep the record of the affiliated parties of the Company basing on the information provided and received;
- 2.3.7. collect information about members of the Board of directors and members of the executive bodies of the Company, the Company's subsidiaries (entities controlled by the Company) and their affiliates according to the law requirements;
- 2.3.8. analyze information received from the Company's divisions, the Company's subsidiaries (entities controlled by the Company) and any their affiliates for the purpose of monitoring and discovery of any potential risks in corporate relationships, including reputational risks of the Company.

# 2.4. Corporate secretary's functions on cooperation arrangements between the Company and Company's shareholders:

- 2.4.1. ensure cooperation between the Company and its shareholders, including establishment and maintenance of clear and effective channels of communications;
- 2.4.2. registration of all letters, requests and other queries received from shareholders;
- 2.4.3. preliminary check of all shareholders' letters, requests and other queries (including its transfer to the legal department of the Company when a request relates to the matters of law and needs for an expert opinion) and its further transfer for reply to the division of the Company responsible for matters contained in a correspondent request according to its competence and authority;
- 2.4.4. control of the timely review of such requests and letters by the governing bodies and divisions of the Company;
- 2.4.5. ensure proper review by the Company of all shareholders' letters, requests and other queries, prevention and resolution of disputes involving breaches of shareholders' rights within his/her authority;
- 2.4.6. early detection of any potential corporate disputes and taking all preventive measures and measures for its resolution;
- 2.4.7. implement other procedures securing exercise and protection of the shareholders' rights and control of such procedures within his/her authority;
- 2.4.8. prepare copies of the documents upon shareholder's request.

## 2.5. Corporate secretary's functions on improvement of the corporate governance system and practice in the Company:

- 2.5.1. participate in improvement of corporate governance system and practice;
- 2.5.2. proposal development and implementation of the Board decisions on corporate governance practice improvement in the Company including initiatives on introduction and adoption of corresponding amendments to the Charter of the Company and/or other internal documents of the Company;
- 2.5.3. ensure that the Company complies with the procedures of corporate governance determined by law:
- 2.5.4. organize and participate in the development and drafting of internal corporate documents of the Company focused to increase of the level of corporate governance;
- 2.5.5. monitor the corporate legislation and initiate amendments to the Charter and/or any other internal corporate documents of the Company once corresponding Federal or local laws governing corporate relationships and procedures are being changed;
- 2.5.6. participate in evaluation process of the corporate governance system of the Company with respect to its meeting the investors' expectations and interests of shareholders and other interested parties, its compliance with recommendations of the Russian and international standards of corporate governance;
- 2.5.7. promote development of the corporate governance system and implementation of its elements in the Company's subsidiaries (entities controlled by the Company) for the benefit of the Company.

#### **2.6.** Other functions of the Corporate secretary:

- 2.6.1. interaction with insiders (keep the insiders' list, notify people included to or excluded out of the insiders' list, maintain the list of information which is recognized as inside information, perform control of the transactions made by insiders with the Company's securities basing on the information provided to the Corporate secretary, immediately notify the Board of directors on any such transactions revealed and etc.);
- 2.6.2. control over compliance with the Information policy of the Company;
- 2.6.3. control over compliance of the officers' and employees' of the Company, its subsidiaries (entities controlled by the Company) with the Charter and other internal corporate documents of the Company with respect to the matters under authority of the Corporate secretary;
- 2.6.4. participate in execution of policies on Directors' and Officers' liability insurance of the Board members and officers of the Company and its subsidiaries subject to a corresponding decision of the General meeting of shareholders on execution of such policy;
- 2.6.5. ensure fulfillment of instructions and orders of statutory regulating authorities related to the matters within the scope of the Corporate secretary's authority;
- 2.6.6. ensure and maintain interaction of the Company with the statutory authorities, stock exchanges, registrars and other professional participants on the securities market and fulfillment of their instructions related to the matters within the Corporate secretary's authority;
- 2.6.7. together with the chief accountant of the Company prepare, coordinate and arrange all procedures related to the payment of dividends by the Company according to the Dividend policy of the Company and subject to a corresponding decision of the General meeting of shareholders on dividend payment, control the payment of dividend on the securities to the persons entitled to receive it the dividends or any other income;

#### 3. Rights and Duties of the Corporate secretary

#### **3.1.** In order to perform his/her functions the Corporate secretary is entitled to:

- 3.1.1. resort to any executive bodies, divisions, officers and employees of the Company and Company's subsidiaries and other affiliated parties for the purpose of obtaining of information and documents necessary for fulfillment the functions of the Corporate secretary;
- 3.1.2. control execution of the decisions taken by the Board of directors and General shareholders' meeting;
- 3.1.3. request provision by the registrar of the information within the scope determined by the legislation and/or by the agreement with the registrar, control the compliance of keeping of the shareholder's register of the Company with the law requirements;
- 3.1.4. resort to the registrar for explanations related to the shareholders' complaints by the Company;
- 3.1.5. initiate development and drafting of internal corporate documents or implementation of controlling and monitoring procedures focused to ensure compliance of the Company's activity with the law requirements in a part of corporate governance;
- 3.1.6. request the officers and head of divisions of the Company and/or Company's subsidiaries to refrain from actions breaching shareholders' rights or giving rise to any corporate conflicts (or an opportunity of such rise) with an immediate notice to the Board members of any such actions; request remedial actions in case of any breaches;
- 3.1.7. involve the divisions of the Company and/or Company's subsidiaries in preparation of draft documents and implementation of corporate governance procedures within the scope of his/her authority;
- 3.1.8. within the scope of his/her authority propose issues for review and discussion to the executive bodies of the Company.

#### **3.2.** In order to perform his/her functions the Corporate secretary is obliged to:

3.2.1. timely and in good faith perform functions of the Corporate secretary provided by Article 2 of the present Regulation;

- 3.2.2. follow and comply with the legislation requirements and provisions of the internal corporate documents of the Company;
- 3.2.3. not less than once a year provide written reports to the Board of directors on the progress of his/her activity and at any time upon request of the Chairman of the Board or Deputy Chairman of the Board;
- 3.2.4. inform the Board on any situations and circumstance creating a menace for breaching the law requirements, rights of shareholders and rise of a corporate conflict;
- 3.2.5. be independent and objective in his/her activity and in case of any conflicts related to the breach of shareholders' rights take all necessary measures for its prevention and resolution;
- 3.2.7. immediately inform the Chairman of the Board of directors on any conflicts of interest;
- 3.2.8. within 1 (one) business day notify the Chairman of the Board of all facts preventing adherence to the procedures which fall under functionality of the Corporate secretary (including acts or failures to act of the Company's officers and officers of the Company's subsidiaries, Company's registrar, other facts breaching the rules of preparation and convention of the General meeting of shareholders, meetings of the Board, disclosure of the information);
- 3.2.8. improve his/her qualification on a regular basis.
- **3.3.** The Corporate secretary may have other rights and obligations as determined by the present Regulation, current legislation of Russia and other requirements of statutory regulatory authorities of Russia binding for the Company.

#### 4. Election, Term and Dismissal

- **4.1.** The Corporate Secretary shall be elected by the Board of directors of the Company by a majority of votes of the Board members participated in the voting.
- **4.2.** Candidates on the position of the Corporate secretary can be nominated by the Chairman of the Board of directors, by the General director and/or by the Chairman of the Management Board (if the Management Board is established in the Company). If the proposed candidate is an employee of the Company his/her candidature shall be approved by the General Director (manger or managing company) of the Company.
- **4.3.** Written proposals on nomination of the Corporate secretary shall be presented to the Remuneration and Nomination Committee of the Board of directors for review and shall contain the following information about the candidate:
  - 4.3.1. full name of the candidate (fist, last and patronymic)
  - 4.3.2. date and year of birth
  - 4.3.3. information on Educational background
  - 4.3.4. positions held in other companies for the last 5 years;
  - 4.3.5. information on Share ownership (type, number and category) in the Company if applicable;
  - 4.3.6. information on any affiliation with the Company and its subsidiaries; and
  - 4.3.7. information on any affiliation with the affiliated parties and business partners of the Company
- **4.4.** Approval of the candidate on the position of the Corporate secretary (with consideration of the requirements for the candidate on the position of the Corporate secretary provided by the Article 5 of the present Regulation), determination of the main terms and conditions of the employment agreement with the Corporate secretary, including amount of salary, decision on bonus payment, performance assessment and approval of the reports of the Corporate secretary on his/her axctivity shall be made by the Board of directors of the Company. Appointment of the Corporate secretary and his/her dismissal shall be made by the General director of the Company (manager or managing company) subject to a corresponding decision of the Board of directors.
- **4.5.** The employment agreement with the Corporate secretary shall be signed by the General director (representative of the manager or managing company).
- **4.6.** The employment agreement with the Corporate sectary shall be executed for an open-term. The Board of directors may at any time take a decision on Corporate secretary's relieve from office and

termination of the executed employment agreement in accord however with the Labor Code of the Russian Federation.

### 5. Requirements for the candidate on the position of the Corporate secretary

- **5.1.** Candidate on the position of the Corporate secretary shall possess knowledge, experience and qualification needed to perform the Corporate secretary functions, have a good reputation and confidence from the shareholders and meet in particular the following requirements:
  - 5.1.1. higher legal or economic education;
  - 5.1.2. working experience in corporate governance not less than 3 years;
  - 5.1.3. knowledge of corporate law, legislation on the securities market, including rules on public disclosure, laws on insider information and any other regulatory requirements applied to the public companies;
  - 5.1.4. ability to ensure and maintain cooperation and interaction of parties involved in the corporate relationships, including employees, key managers of the top and middle level of the Company and its subsidiaries, members of the Board of directors and any other persons;
  - 5.1.5. clean record and absence of disqualification in terms of Code of administrative violations of the Russian Federation;
  - 5.1.6. non-affiliation with the Company and its officers and company's subsidiaries;
  - 5.1.7. computer skills
  - 5.1.8. managerial (organizational) and analytical skills
- **5.2.** The Remuneration and Nomination Committee of the Board of directors preliminary reviews the candidates' profiles on the position of the Corporate secretary, evaluates candidates' compliance with the requirements of this Regulation, applicable legislation of Russia and listing rules of the stock exchange on which Company's securities are admitted for trading and presents its recommendation to the Board of directors of the Company.

### 6. Terms and ways of Remuneration payment to the Corporate secretary

- **6.1.** Amount of remuneration payable to the Corporate secretary shall be determined by the Board of directors and shall be expressly provided in the employment agreement executed with the Corporate secretary.
- **6.2.** Payment of remuneration shall be made in accordance with the rules of salary payment to the employees established in the Company.
- 6.3. Amount of the annual bonus and/or any other motivation payment to the Corporate secretary shall be determined by the Board of directors based on the Remuneration and Nomination Committee's recommendation upon the results of the annual Corporate secretary's performance assessment.

#### 7. Corporate secretary's liability

**7.1.** The Corporate secretary is liable for the breach of any rules and requirements set forth by the legislation of the Russian Federation and/or internal corporate documents governing Corporate secretary's activity including liability for disclosure of information treated as a commercial secret of the Company or failure to comply with the law requirements on insider information.

#### 8. Final provisions

- **8.1.** Amendment to the present Regulation shall be approved by the Board of directors of the Company by a majority of votes of the Board members participated in the voting and/or those provided their written opinions.
- **8.2.** If, following any changes of the applicable legislation of the Russian Federation, any provisions of the present Regulation comes into conflict therewith, provisions of the

- legislation of the Russian Federation in effect shall prevail. Conflicting provisions of this Regulation shall not legally affect other provisions of this Regulation. The Company shall take all measures to replace conflicting provisions of this Regulation by those not conflicting the legislation of Russia.
- **8.3.** In case of incongruity between this Regulations and the Charter of the Company, Company's Charter shall prevail.

