

APPROVED
on “21” December 2020
by resolution of the Board of Directors
of the Public Joint-Stock Company “M.video”
(Minutes № 193/2020 dated 24.12.2020)

**Regulations
on Strategy and Digital Transformation Committee
of the Board of Directors
of the Public Joint-Stock Company “M.video”**

Moscow 2020

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1. General provisions

1.1. The present Regulations on the Strategy and Digital Transformation Committee of the Board of Directors of the Public Joint-Stock Company “M.video” (hereinafter – the “Regulations”) have been drafted in accordance with the legislation of the Russian Federation (hereinafter – the “Law”), the Charter of the Public Joint-Stock Company “M.video” (hereinafter – the “Company”) and the Regulations on the Board of Directors of the Company and recommendations by the Corporate Governance Code (recommended for application by the letter issued by the Bank of Russia №06-52/2463 dated 10.04.2014).

1.2. The Regulations determine powers and competence of the Strategy and Digital Transformation Committee of the Board of Directors (hereinafter – the “Committee”) and its members, the composition of the Committee, order for election of its members and for its work, and also regulate other questions related to the Committee’s activities.

2. Legal status and competence of the Committee

2.1. The Committee is an advisory and consultative body of the Board of Directors of the Company (hereinafter – the “Board of Directors”). The Committee is not a management body of the Company and has no right to act independently on behalf of the Company.

2.2. The Committee was established in order to assist the efficient work of the Board of Directors of the Company performed by resolving on issues being within its competence.

2.3. The Committee’s decisions are of advisory force for the Board of Directors.

2.4. The main tasks of the Committee is to preliminary analyze and issue recommendations to the Board of Directors of the Company on the issues within the competence of the Board of Directors of the Company.

2.5. Main functions of the Committee are:

- formation of a consolidated opinion of the members of the Board of Directors related to competence of the Committee, and assistance in elaboration of a position of the Chairman of the Board of Directors and the Board of Directors within the Committee’s competence;
- issuance of recommendations to the Board of Directors on questions related to the Committee’s competence;
- monitoring of the digital technology and innovations market, analysis of experience application in order to improve performance and discovery of the new possibilities for development of the companies of the Group¹;
- participation in preparation of the corresponding issues for the Board of Directors’ meetings.

2.6. The Committee executes its functions and powers with respect to the Company and the Group² in general, unless the essence of such functions and powers provide for the contrary.

2.7. The Committee’s competence includes:

Issues of strategy

- issuance of recommendations for the Board of Directors on issues related to strategy of the Company and the companies of the Group,
- review of the action plan aimed at strategy implementation for the Company and companies of the Group, of the strategy implementation criteria for the Company and companies of the Group and of the interim control figures;
- review of the result of monitoring of execution of the strategy of the Company and the companies of the Group approved by the Board of Directors and issuance of recommendations

¹ The term “companies of the Group” used in these Regulations means business entities directly or indirectly controlled by the Company that have significant impact on financial and economic and other indicators of the Group’s activities and/or those that conduct activities aimed at achievement of the joint economic targets with the Company.

² The term “Group” used in these Regulations means the Company and business entities directly or indirectly controlled by the Company.

on adjustment of the strategy of the Company and the companies of the Group;

- review of the strategic risk analysis and issuance of recommendations for the Board of Directors and the management of the companies of the Group on minimization of these risks;
- issuance of recommendations on of the Company and the companies of the Group` strategy description format, conducting of assessment of the strategy elaboration process;

Issues of digital technologies

Digital technologies & products

- issuance of recommendations for the Board of Directors and the management of the companies of the Group on key digital technologies and products as well as on development of information and technology systems vital to the Company and the companies of the Group;

Priority directions and projects in digital technologies

- review and issuance of recommendations for the Board of Directors and the management of the companies of the Group on priority directions and projects in the digital technologies field;
- review of the results of monitoring of implementation of key priority directions and projects in the digital technology field;

IT architecture

- issuance of recommendations on key principles of formation, changing and plans on development of the informational and technological architecture of the Company and the companies of the Group;

Information security

- issuance of recommendations for the Board of Directors on ensuring safety activities of the Company and the companies of the Group in IT field, and review of the IT policy and informational security standards in the Company and the companies of the Group;

General issues

- review of the results of control over execution of decisions and tasks of the Board of Directors on issues of strategic development and digital transformation of the Company and the Group;
- issuance of recommendations on agenda and format of the strategy sessions of the Group;
- preliminary review of reports from executive bodies on execution of the Company`s and the Group`s strategy;
- issuance of recommendations for the Board of Directors during forming of position of the Company (Company`s representatives) and representative (representatives) of companies of the Group by the Board of Directors when voting at general shareholders meetings of the companies of the Group and/or passing resolution as a sole shareholder of the companies of the Group on issues related to the Committee`s competence.

2.8. The Committee reports to the Board of Directors of the Company.

2.9. The Committee provides to the Board of Directors the information on decisions made by the Committee on results of the Committee`s meetings by sending minutes of the Committee`s meetings to the members of the Board of Directors.

2.10. The Committee (represented by its Chairman) reports to the Board of Directors on a regular basis, but not less than 2 (two) times a year.

2.11. The Committee`s report provided to the Board of Directors is to be preliminarily approved at the Committee`s meeting and shall contain the following information:

- the quantity of meetings held from a date of previous Committee`s report;
- the list of issues reviewed at the meetings and information on resolutions passed;
- information on Committee members` level of participation in the meetings;
- the recommendations provided to Company`s officials and heads of structural subdivisions and information on results of their execution;
- information on meetings held by the Committee, including results of these meetings;
- other significant information at the Committee`s discretion.

2.12. The Committee on the annual basis provides information on results of its activities to the shareholders of the Company that is included in the annual report of the Company.

2.13. The Committee provides the Board of Directors and the management of the companies of the Group with recommendations that it considers important on any issue which is a part of the Committee's competence and on which a decision is to be made or an approval is to be received or which requires taking some measures.

2.14. When fulfilling its functions, the Committee shall interact with management bodies, other committees of the Board of Directors, structural subdivisions of the Company and the companies of the Group as well as with the top level management of the Company and the companies of the Group (employees being directly subordinated to the sole executive body of the Company and/or the companies of the Group).

2.15. Upon the written request of the Chairman of the Committee, the management bodies of the Company and the companies of the Group as well as the top level management of the Company and the companies of the Group (employees being directly subordinated to the sole executive body of the Company and/or the companies of the Group) shall provide information and documents required for the Committee members to pass resolutions on issues that are in their competence. The mentioned information and materials shall be provided in the term indicated in the relevant request. In case no such term was indicated, then not later than in 5 (five) business days from the date of receipt of such request. Submission of information out of the terms stated herein is allowed only upon consent of the Chairman of the Committee.

3. Formation of the Committee and its members. Support of the Committee's activities.

3.1. Quantitative composition of the Committee is to be determined by a majority decision of the members of the Board of Directors that participated in voting on the issue.

3.2. Committee members are elected by a majority vote of all members of the Board of Directors that participated in voting on the issue.

3.3. Proposals from members of the Board of Directors on candidates for election to the Committee shall be provided to the Corporate Secretary of the Company (person who fulfills functions of the Secretary of the Board of Directors) in written form.

3.4. Committee members shall possess the knowledge and skills required for fulfilling functions being a part of the Committee's competence.

3.5. During election of the Committee members and a Chairman of the Committee, their education, professional qualification, work experience in the Committee's field of expertise and other special knowledge required for the members of the Committee to perform their duties shall be taken into account.

3.6. The Committee members may resign by submitting a request for voluntary resignation from the Committee to the Company (addressed to the Chairman of the Board of Directors). In such case, resignation from the Committee shall not be not considered as a resignation from the Board of Directors.

3.7. The Board of Directors has the right to terminate powers of any Committee member as well as to re-elect all Committee members.

3.8. Powers of all Committee members are terminated in case of:

- election of the Board of Directors in new composition;
- election of the Committee in new composition.

3.9. Powers of a particular Committee member may be terminated earlier at any time by decision of the Board of Directors.

Termination of powers of a particular Committee member does not lead to termination of powers of all Committee members.

4. Rights and duties of the Committee and Committee members

4.1. The Committee's rights (powers) are:

- to request documents, reports, clarifications and other information as stated herein;
 - to invite persons indicated in the article 5.18. of the Regulations to Committee meetings for participation in discussion and receiving clarifications;
 - to hold meetings with the executive bodies of the Company and the companies of the Group for discussion of issues that are a part of the Committee's competence;
 - other powers required for fulfilling functions of the Committee.
- 4.2. The Committee's duties are:
- to provide information on the Committee's activities for including into the annual report of the Company;
 - to report to the Board of Directors as described in these Regulations.
- 4.3. Duties of the Committee members are:
- to participate in the Committee's work and its meetings;
 - to monitor the situation on the market and in the industry, first of all, in areas that are strategically important to the Company;
 - to maintain confidentiality of all information that they become aware of during fulfillment of duties and functions of a Committee member;
 - at the Company's invitation, to participate in general shareholders meetings in order to provide answers to shareholders' questions;
 - during fulfillment of their rights and duties, to act in an honest and reasonable manner in the interests of the Company and the companies of the Group;
 - to take part in strategic sessions and other events related to implementation of the tasks of the Committee.
- 4.4. Rights of the Committee members are:
- to request documents and information required for passing resolutions on issues in the Committee's competence through the Chairman or Secretary of the Committee;
 - to make written proposals on formation of the Committee's work plan;
 - to add issues to agenda of Committee meetings and call for Committee meetings as described in the present Regulations.

5. Work of the Committee

5.1. The Committee is managed by a Chairman elected by majority of votes of the members of the Board of Directors that participated in voting.

5.2. The Chairman of the Committee organizes the Committee's work that includes actions:

- to develop a work plan for the Committee and submit it for approval to the Committee;
- to convene Committee meetings (including determination of date, place, time and form of a meeting) and to act as chairman at those;
- to organize discussion of agenda items at the meetings;
- to determine a list of participants for the Committee meetings;
- to organize drafting of the minutes of the meetings and to sign those;
- to allocate tasks between Committee members;
- to sign documents prepared and approved by the Committee as a part of its competence;
- to provide the Board of Directors recommendations and reports on the Committee's work and all needed clarifications on their content;
- to interact with bodies, officials, heads of structural subdivisions of the Company and the companies of the Group and third parties (including in written form);
- to fulfill other functions as a part of his/her competence and in accordance with requirements of the Charter of the Company, present Regulations and other internal documents of the Company.

5.3. In the absence of the Chairman of the Committee, his/her obligations are executed by a Committee member elected by a majority of votes from a total votes of elected Committee members.

5.4. The Secretary of the Committee that ensures preparation and holding of Committee meetings is the Corporate Secretary of the Company or any other person elected by the Committee upon recommendation from the Chairman of the Committee.

5.5. The Secretary of the Committee:

- ensures preparation and holding of the Committee's meetings;
- ensures preparation of materials for Committee's meetings;
- sends notifications on Committee's meetings, materials on agenda issues and ballots (for absentee voting) to Committee members and invitees in a timely manner;
- drafts minutes of the meetings and sends those to the Committee members;
- records the Committee's correspondence;
- stores the Committee's documents;
- executes tasks of the Chairman of the Committee and controls execution of tasks from the Chairman and the Committee by Committee members and other persons;
- certifies copies of the minutes of Committee meetings and signs extracts from minutes of Committee meetings;
- fulfills other functions in accordance with the present Regulations.

5.6. The Committee's work is executed in a form of meetings (joint presence or absentee voting forms) that are held when required but not less than once per quarter.

5.7. The Chairman makes a decision on holding of a meeting at his/her initiative or at the request of Committee members, members of the Board of Directors, sole executive body of the Company.

5.8. At a joint presence Committee meeting, a Committee member may participate in person or by using technical means of remote communication (tele- and videoconference, electronic (telephone) connection and other technical means of communication) that help to identify participant of such communication or vote on agenda items by means of the electronic documentation system for collective management bodies of the Company or other software that helps to conduct electronic voting if a decision on holding of a respective Committee meeting defines such way of voting.

5.9. During determination of a quorum and voting results on agenda items of a joint presence Committee meeting, a written ballot of a Committee member that is absent at the Committee meeting is to be taken into account. A written ballot shall be signed by the Committee member and contain a print full name. A written ballot shall be provided by the Committee member to the Chairman of the Committee or the Secretary of the Committee before the meeting starts. A written ballot may be sent to Committee members by electronic communication followed by providing of the original, or an electronic form of the written ballot may be filled in by means of the electronic documentation system for work of collective management bodies of the Company (if a decision on calling for a Committee meeting implies respective means to provide a written ballot).

5.10. The written ballot of a Committee member may contain either voting on all agenda issues or on separate issues only. A written ballot shall clearly express position of the Committee member on an agenda item ("for", "against", "abstained"). A written ballot of a Committee member is taken into account during determination of a quorum and voting results on agenda issues on which it contains voting by the Committee member.

5.11. In case of conducting of a Committee meeting in a form of an absentee voting, voting on all agenda issues of the Committee is done by voting ballots that are sent by e-mail or using the electronic documentation system for work of collective management bodies of the Company together with materials on agenda issues. During making a decision on conducting an absentee voting it is possible to fill in an electronic form of voting ballot for voting using the electronic documentation system for work of collective management bodies of the Company. Committee members will be considered as participated in the absentee voting if copies of voting ballots signed by them were received by e-mail or electronic form of voting ballots for voting are filled in by means of the electronic documentation system for work of collective management bodies of the Company (if such way of voting is implied by a decision on holding of a respective

Committee meeting) not later than a due date and a due timing of the end date for voting ballots acceptance.

5.12. A joint presence Committee meeting is duly constituted (quorate) if not less than a half of the elected Committee members participated in the meeting in the ways indicated in the article 5.8 of the Regulations or provided a written ballot. An absentee voting Committee meeting is considered as taken place (has quorum) if not less than a half of the elected Committee members participated (provided voting ballots).

5.13. Each Committee member has one vote. The Committee passes a resolution by majority of votes out of total votes of the elected Committee members.

5.14. Following results of the Committee meeting, minutes of the meeting are drafted that are to be signed by the Chairman of the Committee.

5.15. A notification on a Committee meeting with an indication of agenda, date and format of a Committee meeting and required information and materials on each agenda item are sent by the Secretary of the Committee to Committee members not later than 5 (five) days before the Committee meeting. A notification to Committee members is sent by e-mail provided by them to the Secretary of the Committee and/or by the electronic documentation system for work of collective management bodies of the Company. Materials for a meeting are sent by e-mail and/or uploaded to a specialized application (program product) or a virtual data room, electronic documentation system for work of collective management bodies of the Company, access to which is granted to Committee members.

5.16. Minutes of a Committee meeting (hereinafter – the “Minutes of meeting”) shall contain the following information:

- a form of a meeting;
- meeting date, place and time (in case of holding in a form of joint presence);
- the deadline (date and time) for acceptance of the voting ballots (in case the meeting is held in an absentee voting form);
- information on quorum of the Committee meeting;
- list of Committee members that participated in the meeting (in absentee voting);
- agenda;
- issues put to vote, voting results (with an indication of how each participating Committee member voted);
- resolutions passed.

5.17. Any Committee member has the right to provide a written minority report that is provided to the Chairman of the Committee for inclusion into the Minutes of the Committee meeting.

5.18. Officials of the Company and the companies of the Group, members of executive bodies of the Company and the companies of the Group and the Board of Directors, heads of structural subdivisions of the Company and the Group, independent consultants (experts) and other persons may be invited to a Committee meeting for taking part in preparation of materials and recommendations on agenda issues and for participating in discussions and providing clarifications.

6. Final provisions

6.1. The present Regulations and changes and addendum thereto are approved by a decision of the Board of Directors.

6.2. In case any changes to the Law of the Russian Federation lead to the fact that some articles of these Regulations are to contradict the Law, such articles respectively shall not be applicable, and the Law of the Russian Federation shall prevail over those. The conflicting articles of these Regulations shall not impact the overall legal effect of other articles of these Regulations.

6.3. In case of any discrepancies between the Regulations and the Charter of the Company, the Charter shall prevail.