

Regulation of the Conciliation Commission X5 Retail Group

(The main points of the Regulation)

01.06.2015

1. The Regulation of the Conciliation Commission governs the establishment and operation of the Conciliation Commission on interaction with suppliers of entities of X5 Retail Group.
2. The Conciliation Commission in its actions is guided by laws of Russian federation, internal documents of the Company and hereby Regulation.
3. The Conciliation Commission reports to the Ethics Committee of X5 Retail Group.

The objectives of the Conciliation Commission:

1. Protection of interests of the Company, prevention of damage to the Company interests;
2. Increasing the transparency of relationships with suppliers;
3. Image and reputation improvement of the Company.

The tasks of the Conciliation Commission:

1. Increasing the effectiveness of contract work;
2. Dispute solving;
3. Identification and prevention of violations of contract work;
4. Establishing a dialogue with suppliers;
5. Participation in the development of philosophy of interaction with suppliers.

The competence of the Conciliation Commission:

- Handling complaints of suppliers on the process of selecting suppliers and compliance with the contractual terms (with the exception of issues relating to the commercial terms of the contracts).
- Identification of problems in contractual work and preparation of recommendations/proposals on the identified issues for consideration by the structural unit of the Company, responsible for the implementation of the relevant business process.
- The competence of the Conciliation Commission doesn't include the definition/adjustment of the conditions of transactions.

1. The structure of the Conciliation Commission is defined by the CEO of X5 Retail Group.
2. The Conciliation Commission consists of the chairman and members:
Svetlana Volikova, director of the corporate audit – the chairman;
Vladlena Yavorskaya, director of legal support – the permanent member;
Dmitry Agureev, director of security – the permanent member;
Ivan Zubakin, compliance director – the secretary.
3. By decision of the Chairman of the Conciliation Commission any members of the Executive Board (the Board) or other heads of divisions of the Company, who are in charge of questions being discussed on a meeting, may be invited as a member of the Conciliation Commission.

The procedure for submission and review of applications

1. The applicant (current contractor or tenderer) fills out the application, which is placed on the Company's website.
2. The completed application form with attachments (documents confirming the complaint) have to be sent to email compliance@x5.ru.
3. All the contact information must be provided within the email in case of clarification needed. Anonymous complaints are not accepted.
4. The Secretary of the Conciliation Commission handles the procedure of an official investigation. The duration of the official investigation can be from 1 to 4 weeks (depending on a particular violation). The Secretary shall notify the applicant by e-mail about possible changes in the timing of the official investigation.
5. According to the results of an official investigation the Chairman of the Conciliation Commission decides on the need for full-time or absentee meeting of the Conciliation Commission, and determines the structure of the meeting, including the necessity to invite representatives of the Applicant.
6. After approval of the decision by the Conciliation Commission, the Secretary directs the approved decision to the email of the Applicant.
7. By decision of the Chairman of the Conciliation Commission solution of the issue may be referred for consideration / approval to the Ethics Committee (with the participation of the CEO of the Company).