

Public Joint Stock Company Detsky Mir

Location of the Company: bld. 3, 37, Prospekt Vernadskogo, Moscow, 119415, Russian Federation

Tel.: +7 (495) 781-08-08



Explanatory Note regarding agenda items of the Extraordinary General Meeting of Shareholders of Public Joint Stock Company Detsky Mir

Format of the General Meeting of Shareholders – absentee voting. Mailing address for sending completed and signed bulletins: Unit 1, bld. 20, B. Balkansky lane, Moscow, 129090. Final date to accept voting bulletins: December 17, 2020

On the rules of procedure for holding the Extraordinary General Meeting of Shareholders of Detsky Mir PJSC.

The working bodies of the General Meeting of Shareholders shall be:

- (1) Chairman;
- (2) Secretary;
- (3) Counting Commission.

The Chairman (Chairperson) of the General Meeting of Shareholders shall be the Chairman of the Board of Directors – Eugeny Leonidovich Madorsky.

The Chairman of the General Meeting of Shareholders shall: ensure compliance with the procedure for holding the General Meeting of Shareholders, sign the Minutes of the General Meeting of Shareholders and the Report on the voting results at the General Meeting of Shareholders.

The Secretary of the General Meeting of Shareholders is the Corporate Secretary of the Company Bogatov Dmitry Gennadievich. The Secretary of the General Meeting shall: organize the formalization of the Minutes of the General Meeting of Shareholders, coordinate the interaction between the shareholders, the Counting Commission and the Company; prepare and sign the Minutes of the General Meeting of Shareholders and Report on the voting results at the General Meeting of Shareholders.

The Counting Commission shall: verify the powers and register the persons who take part in the General Meeting of Shareholders; keep records of the journal of registration; check whether the power of attorneys of the representatives of shareholders are issued in compliance with the legislation of the Russian Federation; keep records on the power of attorneys and on the powers they endow with; send the voting bulletins, keep the journal of issued (sent) bulletins; determine the quorum of the General Meeting of Shareholders; ensure the observance of the established voting procedure and of the right of shareholders to take part in the voting; count the votes and finalize the results of voting; complete the protocol on the results of voting; to keep the archives of all the documents of the General Meeting of Shareholders, including the voting bulletins. Functions of the Counting Commission of the Extraordinary General Meeting of Shareholders of Detsky Mir PJSC are performed by Reestr JSC the registrar of the Company, (OGRN 1027700047275).

Agenda Item No. 1:

1. Payment of dividends based on the results of 9 months of 2020.

In accordance with the current legislation the size of dividends may not be greater than the size of dividends recommended by the Company's Board of Directors. In this case, the part of the decision that specifies the date, on which the persons who are eligible to receive dividends are determined, shall be made only if proposed by the Company's Board of Directors. On November 11, 2020 the Board of Directors of Detsky Mir PJSC considered the issue regarding recommendations on payment of dividends based on the results of 9 months of 2020 and made the decision to give recommendations to the General Meeting of Shareholders to pay dividends in the amount of Five 08/100 (5.08) Russian rubles per ordinary share and set the date on which the persons entitled to receive dividends are determined: December 28, 2020.

Procedure for decision making:

The decision is made by a simple majority of votes of the shareholders taking part in the Meeting.

Draft decision:

- 1.1. To distribute a part of the net profit of the Company according to the annual results of 9 months of 2020: To pay dividends in the amount of Five 08/100 (5.08) Russian rubles per ordinary registered share of Detsky Mir PJSC with a nominal value of Four ten-thousandths (0.0004) Russian rubles each. The total amount of dividends of Detsky Mir PJSC is 3,754,120,000 (Three billion seven hundred and fifty-four million one hundred and twenty thousand 00/100) Russian rubles;
- 1.2. To set a date, on which persons are assigned, who have a right to receive dividends – December 28, 2020. To pay dividends in monetary terms by a bank transfer within the timeframe set forth in clauses 6, 8 of Article 42 of the Federal Law "On-Joint Stock Companies."

Agenda Item No. 2:

2. Determination of the quantitative composition of the Company's Board of Directors.

In accordance with the Articles of Association of Detsky Mir PJSC the issue of determination of the quantitative composition of the Company's Board of Directors falls within the competence of the General Meeting of Shareholders. In accordance with the current legislation, the minimum number of members of the Board of Directors of Detsky Mir PJSC shall be

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9 persons. In order to improve the efficiency of the Board of Directors the Nomination and Remuneration Committee proposes to establish the number of members of the Board of Directors, 9 persons.

Procedure for decision making:

The decision is made by a simple majority of votes of the shareholders taking part in the Meeting.

Draft decision:

2.1. To determine the quantitative composition of the Company's Board of Directors to be equal to 9 people.

Agenda Item No. 3:

3. Approval of the Company's Articles of Association in the new edition.

The General Meeting of Shareholders is invited to approve the new version of the Articles of Association of Detsky Mir PJSC. The changes made relate to the transfer of the issue of approval of the Company annual report and the Company annual accounting (financial) statements in accordance with the Russian Accounting Standards from the competence of the General Meeting of Shareholders to the competence of the Company Board of Directors. Adoption of these changes will allow the Company to publish the annual report before the date of holding the annual General Meeting of Shareholders. Now the annual report of the Company is published after its approval by the General Meeting of Shareholders, in accordance with the current legislation. The new version of the Articles of Association, as well as the table of comparison of changes in the Articles of Association, are included in the materials provided to shareholders in preparation for the Extraordinary General Meeting of Shareholders.

Procedure for decision making:

The decision shall be adopted by a qualified majority of three quarters ($\frac{3}{4}$) of votes given by the shareholders, taking part in the Meeting.

Draft decision:

3.1. To approve the Company's Articles of Association in the new edition.