

LENTA LIMITED

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. ROLE

The role of the Committee is to lead the process for Board appointments and to keep under review the balance of skills, knowledge and experience on the Board to ensure the orderly evolution of the membership of the Board.

2. MEMBERSHIP

2.1 Members of the Committee shall be appointed by the Board and in consultation with the Committee Chairman. The Committee shall be made up of least three members.

2.2 All members of the Committee shall be non-executive Directors of the Company. A quorum for Committee meetings shall consist of two members, present in person or by telephone.

2.3 The Board shall appoint the Committee Chairman (who shall be either the Chairman of the Board or an independent non-executive Director). In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number present to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals within the Lenta group (the "Group") such as the Chairman of the Board, Chief Executive Officer, Human Resources Director, Company Secretary and representatives of other relevant departments and external advisers may be invited by the Committee to attend all or part of any meeting as and when appropriate.

2.5 The regulations contained in the Company's Articles of Association for the meetings and proceedings of Directors shall also be deemed to apply to the meetings and proceedings of the Committee, except where altered hereby for matters specific to the working of the Committee.

3. SECRETARY

The Company Secretary, Deputy or Assistant Secretary or their nominee shall act as the secretary of the Committee and shall ensure that the members of the Committee receive information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. FREQUENCY OF MEETINGS

The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

5. NOTICE OF MEETINGS

5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chairman of the Committee.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members, and to other attendees as appropriate, at the same time (though a failure to provide supporting papers shall not prejudice notice of the relevant matters).

6. MINUTES OF MEETINGS

6.1 The secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 The secretary of the Committee should ascertain the existence of any conflicts of interest and minute them accordingly. If any conflicts of interest exist with a particular member of the Committee on any particular issue then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved and if requested, to other members of the Board, unless a conflict of interest exists.

7. ANNUAL GENERAL MEETING

The Chairman of the Committee should be available to attend the Annual General Meeting if required.

8. DUTIES

8.1 The Committee shall:

- a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- b) give full consideration to succession planning for Directors and other senior managers in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- c) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- d) before any appointment is made by the Board, evaluate the balance of skills, knowledge experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall consider:
 - (i) using open advertising or the services of external advisers to facilitate the search;
 - (ii) candidates from a wide range of backgrounds; and

- (iii) candidates on merit, against objective criteria and with due regard to the benefits of diversity on the Board (including gender), taking care that appointees have enough time available to devote to the position.
- e) as part of the process for nominating candidates for appointment, obtain details of and review any interests the candidate may have which conflict or may conflict with the interests of the Company. The Committee shall consider whether, despite any such conflict, there are nevertheless grounds for recommending the candidate for appointment and for the Board to authorise the relevant conflict. The Committee shall, as part of any proposal to the Board for appointment of the relevant candidate, explain these grounds and make recommendations as to the terms and conditions on which any authorisation of the conflict should be given by the Board;
- f) keep under review the Directors' existing and any new conflicts of interest and report to the Board and make recommendations as to whether the conflict should be authorised;
- g) for the appointment of the Chairman of the Board, prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairman's commitments should be reported to the Board as they arise;
- h) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- i) ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- j) review the results of the Board performance evaluation process that relate to the composition of the Board; and
- k) review annually the time required from non-executive Directors. Performance evaluation should be used to assess whether the non-executive Directors are spending enough time focusing on fulfilling their duties.

8.2 The Committee shall also make recommendations to the Board concerning:

- a) the formulation of plans for succession in respect of the Board;
- b) suitable candidates for the role of Senior Independent Director;
- c) membership of the Audit, Remuneration and any other permanent Committees of the Board, in consultation with the chairmen of those Committees;
- d) the re-appointment of any non-executive Director at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required;

- e) the re-election by shareholders of Directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement provisions in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;
- f) suitable candidates for the role of Chief Executive Officer or Chief Financial Officer of any subsidiary of the Company;
- g) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company, subject to the provisions of the law and their service contract; and
- h) the appointment of any Director to executive or other office.

9. OTHER MATTERS

- 9.1 have access to sufficient resources to carry out its duties, including access to the Company Secretary for assistance as required;
- 9.2 assist the Board in overseeing compliance with all legal and regulatory requirements in relation to matters under its purview and give due consideration to the requirements of the UK Corporate Governance Code, the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, and, to the extent deemed appropriate, the rules of the London and Moscow Stock Exchanges and any other exchange on which the Company's equity securities are listed;
- 9.3 investigate or commission investigations into any activity within its terms of reference;
- 9.4 be responsible for the co-ordination of relevant external and internal advisors;
- 9.5 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 9.6 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 9.7 perform any other activities consistent with these terms of reference that the Committee or the Board deem appropriate.

10. REPORTING RESPONSIBILITIES

- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include the significant issues that it has considered and any other issues on which the Board has requested the Committee's opinion.
- 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its terms of reference.

10.3 The Committee shall compile a statement to the shareholders on its activities, to be included in the Company's Annual Report and Accounts. The statement should include an explanation of the process used to make appointments and an explanation if external advice has not been used.

11. AUTHORITY

11.1 The Committee is authorised to seek any information it requires from any Director or employee of the Group in order to perform its duties and all employees shall be directed to co-operate with any request made by the Committee.

11.2 The Committee may call any Director or employee to be questioned at a meeting of the Committee as and when required.

11.3 The Committee shall have unrestricted access to Group documents and Group information.

11.4 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice and secure the attendance at its meetings of outside advisors with relevant experience and expertise if it considers this necessary.