

LENTA LIMITED
TERMS OF REFERENCE OF THE
CAPEX COMMITTEE

1. ROLE

The role of the Committee is to:

- 1.1 advise the Board with respect to the overall capital expenditure strategy of the Lenta group, and the interaction of such strategy with the broader business aims of the Lenta group;
- 1.2 review the Company's processes for approving capital expenditure projects and the formats of related reports;
- 1.3 set the limits of authority for capex related decisions; and
- 1.4 review and approve all capex and M&A projects within the Committee's limits of authority and review any other capex projects as the Board or the Committee may choose from time to time.

2. MEMBERSHIP AND ATTENDANCE

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Committee Chairman. The Committee shall be made up of at 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. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their numbers present to chair the meeting.
- 2.4 Only members of the Committee shall 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, Chief Financial Officer, Development Director and representatives from other relevant departments 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

A representative of the Company's Capex Controlling Department or any other person appointed by the Chairman of the Committee 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 four times a year at appropriate times and at such other times as necessary.

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 3 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 should carry out the duties below for the Company and all of its subsidiaries and the Lenta Group as a whole, as appropriate.

8.2 The Committee shall:

- a) agree annually with management an overall capex plan aligned with the Company's strategy, which shall be proposed to and approved by the Board;

- b) establish and review the overall capex review and approval process in the Company, and create guidelines for capex decisions and limits of authority;
- c) review and approve on a periodic basis capex projects that fall within the limits of authority of the Board as well as any other capex projects that the Committee deems necessary from time to time;
- d) review how the overall capex plan has been aligned with the Company's strategy, and make recommendations to the Board in connection therewith;
- e) support the Company in executing M&A projects; review and approve M&A proposals that fall within the limits of the authority of the Board and, taking into account Regulation 13.2 of the Company's Articles of Association, the Committee; and make recommendations on M&A proposals to the Board when required;
- f) endeavour to ensure that improvement programmes relating to design, construction and operation of new stores and other capital intensive assets are defined and implemented in cooperation with management; and
- g) endeavour to ensure that all capex projects including existing store upgrade projects and new store development projects achieve acceptable returns in accordance with any guidelines established by the Committee and the Board.

9. OTHER MATTERS

The Committee shall:

- 9.1 have access to sufficient resources to carry out its duties, including access to the Company Secretary for assistance as required;
- 9.2 investigate or commission investigations into any activity within its terms of reference;
- 9.3 be responsible for the co-ordination of relevant external and internal advisors;
- 9.4 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;
- 9.5 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
- 9.6 perform any other activities consistent with these terms of reference that the Committee or the Board deem appropriate.

10. REPORTING RESPONSIBILITIES

- 9.1 The Committee Chairman shall report formally to the Board after each meeting on the proceedings of the Committee and on all matters within its duties and responsibilities, and 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.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its terms of reference.
- 9.3 The Committee shall compile a report to shareholders on its activities, to be included in the Company's Annual Report and Accounts. The report should include an explanation of how the Committee has addressed the significant issues that the Committee has considered and how these issues have been addressed, having regard to all other information requirements set out in the UK Corporate Governance Code.

10. AUTHORITY

- 10.1 The Committee is authorised to seek any information it requires from any 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.
- 10.2 The Committee may call any employee to be questioned at a meeting of the Committee as and when required.
- 10.3 The Group shall have unrestricted access to Group documents and Group information.
- 10.4 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.
- 10.5 The Committee shall have the right to publish in the company's Annual Report and Accounts details of any issues that cannot be resolved between the Committee and the Board.