

# Minutes

of the

Annual General Meeting of Shareholders (the "AGM") of

## **X5 Retail Group N.V.**

(hereinafter: the "Company")

held on

14 June 2012 at Parkstraat 20, 2514 JK The Hague, The Netherlands

### **1. Opening and announcements**

Mr. Hervé Defforey, chairman of the Supervisory Board of the Company and chairman of the AGM (the "Chairman") in accordance with article 34.1 of the Articles of Association (hereinafter: the "Articles of Association" or the "Articles") of the Company, opens the AGM at 11.00 a.m. CET and welcomes (the representatives of) the shareholders present, as well as the Company's external auditor, at the AGM.

It is recorded that the AGM was convened with due observance of all provisions set out by law and the Articles. In the convocation letter to the shareholders was stated the place, the date, the starting time and the agenda (including the explanatory notes to the agenda) of the AGM (the "Agenda").

Pursuant to the power of attorney (including the list of attendance and voting instructions) as provided by The Bank of New York Mellon to the Secretary (as defined below) (the "Proxy"), a total number of 67,819,033 shares were being represented at the AGM, from the total number of outstanding shares of the Company which is 67,893,218.

As (i) the AGM had been convened in accordance with the Articles, and (ii) the quorum as mentioned in Article 37.1 of the Articles was represented, valid resolutions could be passed by the general meeting of shareholders (*algemene vergadering van aandeelhouders*) (the "General Meeting").

Mr. Frank Lhoëst is appointed secretary at this AGM (the "Secretary") and holds the Proxy to vote on behalf of all shareholders being represented (i.e. The Bank of New York Mellon).

### **2. Annual report of the Management Board for the financial year 2011**

The Chairman provides the General Meeting with an overview of the activities and of the performance of the Company during the financial year 2011.

### **3. Explanation of the policy on additions to reserves and payment of dividends**

Article 28 of the Articles of Association states that the General Meeting, on proposal of the Supervisory Board, determines which part of the result for a financial year will be reserved and the allocation of the remainder of the result.

In line with the Company's dividend policy the Supervisory Board suggests to the General Meeting not to pay-out any dividend but to use all available funds for the anticipated growth, and strategic acquisitions, of the Company.

#### **4. Adoption of the Annual Accounts for the financial year 2011**

Article 27.2 of the Articles of Association states that the General Meeting shall adopt the Annual Accounts. The Annual Accounts for the financial year 2011 (the "Annual Accounts"), as included in the entire Annual Report 2011 (the "Annual Report"), were presented to the General Meeting by the Management Board, in accordance with clause 25.2 of the Articles of the Company. It is proposed to the General Meeting to adopt the Annual Accounts.

Mr. Peter Dams, attending the AGM on behalf of the external auditor PricewaterhouseCoopers Accountants N.V., is available to answer questions in relation to the auditor's report on the fairness of the Annual Accounts.

The Secretary states that all votes cast, i.e. 67,819,033 votes, are in favour of this proposal. The Chairman confirms that the General Meeting does not require additional information and adopts the Annual Accounts.

#### **5. Determination of the allocation of the results for the financial year 2011**

It is proposed by the Supervisory Board to transfer the Company's results for the financial year 2011 to the other reserves of the Company (Annual Report, page 112)

The Secretary states that 67,778,946 votes are in favour of this proposal and 40,087 votes are against, whereupon the Chairman confirms that this proposal is approved by the General Meeting.

#### **6. Discharge from liability of the members of the Management Board**

It is proposed to the General Meeting to grant discharge to the members of the Management Board from all liability (*décharge verlenen*) in relation to the exercise of their duties in the financial year 2011, to the extent that such exercise is apparent from the Annual Report or has otherwise been disclosed to the General Meeting prior to the adoption of the Annual Accounts.

The Secretary states that 67,818,775 votes are in favour of this proposal and 258 votes abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Management Board from liability.

#### **7. Discharge from liability of the members of the Supervisory Board**

It is proposed to the General Meeting to grant discharge to the members of the Supervisory Board from all liability (*décharge verlenen*) in relation to the exercise of their duties in the financial year 2011, to the extent that such exercise is apparent from the Annual Report or has otherwise been disclosed to the General Meeting prior to the adoption of the Annual Accounts.

The Secretary states that 67,818,775 votes are in favour of this proposal and 258 votes abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Supervisory Board from liability.

## **8. Re-appointment of Mr. Alexander Tynkovan as member of the Supervisory Board**

Under the rotation schedule fixed by the Supervisory Board, Mr. Tynkovan reaches his end of term as Supervisory Board member this year. Mr. Tynkovan is eligible for re-appointment. In view of his knowledge of X5, his particular knowledge and experience of the retail industry in Russia and the dedication with which he fulfills his role as member of the Supervisory Board, Chairman of the Related Party Committee and member of the Nomination and Remuneration Committee and Strategy Committee, it is proposed to the General Meeting to re-appoint Mr. Tynkovan for a new term ending on the day of the annual general meeting of shareholders to be held in 2016, which is the fourth year after the year of the re-appointment.

The Secretary states that 67,079,947 votes are in favour of this proposal, 65,440 votes are against and 673,646 votes abstained. The General Meeting therefore adopts the re-appointment of Mr. Tynkovan as member of the Supervisory Board of the Company with effect per the date of this meeting for a period of four years.

## **9. Re-appointment of Mr. Stephan DuCharme as member of the Supervisory Board**

Under the rotation schedule fixed by the Supervisory Board, also Mr. DuCharme reaches his end of term as Supervisory Board member this year. Mr. DuCharme is eligible for re-appointment. In view of his knowledge of X5, his management experience in international and Russian business in particular, his knowledge and experience of employment and executive reward matters, and the dedication with which he fulfills his role as member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee and member of the Related Party Committee, it is proposed to the General Meeting to re-appoint Mr. DuCharme for a new term ending on the day of the annual general meeting of shareholders to be held in 2016, which is the fourth year after the year of the re-appointment.

The Secretary states that 66,945,885 votes are in favour of this proposal, 98,115 votes are against and 775,033 votes abstained. The General Meeting therefore adopts the re-appointment of Mr. DuCharme as member of the Supervisory Board of the Company with effect per the date of this meeting for a period of four years.

## **10. Appointment of Mr. Dmitry Dorofeev as member of the Supervisory Board**

It is proposed to the General Meeting to appoint Mr. Dorofeev as new member of the Supervisory Board for a period of four years ending on the day of the annual general meeting of shareholders to be held in 2016, which is the fourth year after the year of the appointment.

Mr. Dorofeev (23 April 1977), a Russian citizen, was appointed as Director of Group Portfolio Management and Control in Alfa Group in May 2012. Prior to joining Alfa Group, Mr. Dorofeev served as Associate Principal in McKinsey & Company from 2004. He also held different positions at Ernst & Young in St. Petersburg and Moscow from 2000 to 2004. Mr. Dorofeev graduated as Master of Science - with honors- from the St. Petersburg Baltic State Technical University (International Industrial Management) and from the Bodo Graduate School of Business, Norway (International Business). He qualified as a Chartered Certified Accountant (ACCA) in 2004.

The Secretary states that 66,061,431 votes are in favour of this proposal, 982,569 votes are against and 775,033 votes abstained, so the General Meeting appoints Mr. Dmitry Dorofeev as member of the Supervisory Board of the Company with effect per the date of this meeting for a period of four years.

Mr. Dorofeev shall replace Mr. Ashurkov, who steps down from the Supervisory Board as per this date, as member of the Audit Committee, Nomination and Remuneration Committee and Strategy Committee. Mr. Dorofeev's will be rewarded in accordance with the Company's remuneration principles for the Supervisory Board, as approved by the General Meeting in 2010.

## **11. Remuneration of the Supervisory Board**

It is proposed to the General Meeting that under the Company's Restricted Stock Unit Plan, certain members of the Supervisory Board shall be granted conditional RSUs with award date 19 May 2013, as follows:

<b>Member</b>	<b>Number of RSUs</b>	<b>Award Date</b>	<b>Vesting Date</b>	<b>End of lock-in period</b>
Hervé Defforey	13,077	19-5-2013	19-5-2015	19-5-2017
Stephan DuCharme	10,461	19-5-2013	19-5-2015	19-5-2017
Alexander Tynkovan	6,277	19-5-2013	19-5-2015	19-5-2017
Christian Couvreur	10,461	19-5-2013	19-5-2015	19-5-2017

The Chairman puts the proposal into discussion and concludes that 55,928,347 votes have been issued in favour of the proposal, 11,096,244 votes are against and 794,442 votes abstained, so the proposal is adopted.

## **12. Designation of the Supervisory Board as the corporate body authorised to issue new shares or grant rights to subscribe for shares**

In accordance with article 6.1 of the Articles of Association, it is proposed to the General Meeting to designate the Supervisory Board, for a period of 18 months as of the date of the AGM, until 14 December 2013, as the corporate body of the Company authorised to resolve on the issuance of, and/or the granting of rights to subscribe for, up to a maximum of 13,578,643 new shares (i.e. 20% of the issued and outstanding capital of the Company at the date of this meeting), for general corporate purposes, including but not limited to financing of acquisitions and pursuant to the Company's Employee Stock Option Plan and/or Restricted Stock Unit Plan. This delegation (the "2012 Delegation") also applies to the issue of new GDRs, or rights to subscribe for new GDRs. One GDR represents 0.25 share of the Company.

The Chairman puts the proposal into discussion and concludes that 66,178,705 votes have been issued in favour of the proposal and 1,640,328 votes are against, so the proposal is adopted.

## **13. Designation of the Supervisory Board as the corporate body authorised to restrict or exclude the pre-emptive rights upon issue of new shares or granting of rights to subscribe for shares**

Pursuant to article 7.3 of the Articles of Association, the General Meeting may designate the Supervisory Board as the corporate body authorised to resolve on the restriction or exclusion of any pre-emptive right (*voorkeursrecht*) in connection with the issuance of, and/or the granting of rights to subscribe for, shares in the capital of the Company. Such designation shall only be valid for a specific period of no more than five (5) years and may from time to time be extended with a period of not more than five (5) years.

It is proposed to the General Meeting to designate the Supervisory Board as the corporate body authorised to resolve on the restriction or exclusion of any pre-emptive right in connection with the issuance of, and/or the granting of rights to subscribe for, shares in the capital of the Company under the 2012 Delegation for a period of 18 months as of the date of the AGM, until 14 December 2013.

The Chairman puts the proposal into discussion and concludes that 65,084,361 votes have been issued in favour of the proposal and 2,734,672 votes are against, so the proposal is adopted.

#### **14. Authorisation of the Management Board to have the Company acquiring shares or GDRs in its own capital**

The General Meeting is requested, in accordance with article 9.3 of the Articles of Association, to authorise the Management Board for a period of 18 months as of the date of the AGM, until 14 December 2013, to cause the Company to purchase, for general corporate purposes, shares or GDRs in the Company's own capital, representing up to 10% of the issued share capital of the Company as at the date of the AGM (for the avoidance of doubt, the 'issued share capital of the Company' includes issued shares and/or GDRs yet owned by the Company -directly or indirectly- in its own capital), at or below the market price of the GDRs (as being traded at London Stock Exchange) when such purchase is being executed.

The Supervisory Board has resolved, in accordance with article 17 paragraph 3 of the Articles of Association and subject to the above delegation by the General Meeting to the Management Board, that in case the amount of the Company's own issued share capital or GDRs being purchased reaches a level of more than 5% of the Company's own issued share capital as at the date of the AGM, the Management Board shall obtain Supervisory Board approval before proceeding with such purchase.

The Company may only acquire its own fully paid up shares or GDRs, provided that the part of the Company's net assets which exceeds the aggregate of the issued share capital and the reserves which must be maintained by virtue of the law, is at least equal to the purchase price for the Company's own shares.

The Chairman puts the proposal into discussion, and the Secretary subsequently states that 67,715,347 votes are in favour of this proposal, 101,386 votes are against and 2,300 votes abstained. The Chairman confirms that the General Meeting resolves to authorize the Management Board to have the Company acquire shares or GDRs in its own capital in accordance with and subject to the above proposal.

#### **15. Appointment of the external auditor for the financial year 2012**

It is proposed to appoint PricewaterhouseCoopers as the Company's external auditor for the financial year 2012.

The Chairman puts the proposal into discussion and concludes that 67,812,836 votes have been issued in favour of the proposal and 6,197 votes are against, so the proposal is adopted.

#### **16. Any other business and conclusion**

No other items were brought to the attention of the General Meeting.

As the Agenda contained no further issues to be deliberated, the AGM was closed.

Signed:

Mr. Hervé Defforey  
Chairman of the AGM

Mr. Frank Lhoëst  
Secretary of the AGM