

# Minutes

of the

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

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

(hereinafter: the "Company")

held on

16 June 2008 at Prins Bernhardplein 200 in Amsterdam, 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 the Company, opens the AGM at 11.00 a.m. CET and welcomes (the representatives of) the shareholders present 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 shareholder circular and 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 shares of 66,146,713 were being represented at the AGM, from the total number of outstanding shares of the Company which is 66,146,713.

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. Report of the Management Board for the financial year 2007**

The Secretary provides the General Meeting with an overview of the activities and of the performance of the Company during the financial year 2007.

The Secretary confirms that 63,913,286 votes are in favour of this proposal where 2,233,427 votes abstained.

The Chairman confirms that the General Meeting approves the Report of the Management Board for the financial year 2007.

### **3 Financial Statements for the financial year 2007**

#### **3A Financial Statements for the financial year 2007**

Clause 27.2 of the Articles of the Company states that the General Meeting shall adopt the Annual Accounts. The Annual Accounts for the financial year 2007 (the “Annual Accounts”), as included in the entire Annual Report 2007 (the “Annual Report”), were presented to the General Meeting by the Supervisory Board, in accordance with clause 26.3 of the Articles of the Company. It is proposed to the General Meeting to adopt the Annual Accounts.

The Chairman confirms that the General Meeting does not require additional information and approves the Annual Accounts by unanimous vote.

#### **3B Explanation of dividend policy on addition to reserves and dividends**

Clause 28 of the Articles of the Company 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 of and strategic acquisitions of the Company.

#### **3C Allocation of the Company’s profits**

It is proposed by the Supervisory Board to add the Company's loss for the financial year 2007 to the other reserves of the Company (Annual Report, page 126)

The Chairman confirms that the General Meeting approves this proposal by unanimous vote.

### **4 Discharge from liability**

#### **4A Proposal to discharge the members of the Management Board from liability**

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 2007, to the extent that such exercise is apparent from the annual accounts or has otherwise been disclosed to the General Meeting prior to the adoption of the Annual Accounts.

The Secretary states that 66,132,665 votes are in favour of this proposal where 9,801 votes are against and 4,247 votes abstained.

The Chairman confirms that the General Meeting decides to approve the discharge of the members of the Management Board from liability.

#### **4B Proposal to discharge the members of the Supervisory Board from liability**

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 2007, to the extent that such exercise is apparent from the annual accounts or has otherwise been disclosed to the General Meeting prior to the adoption of the annual accounts.

The Secretary states that 66,132,665 votes are in favour of this proposal where 9,801 votes are against and 4,247 votes abstained.

The Chairman confirms that the General Meeting decides to approve the discharge of the members of the Supervisory Board from liability.

#### **5 Adoption of the Remuneration Policy**

According to article 2:135 of the Dutch Civil Code a public limited liability company (*naamloze vennootschap*) must have a policy on the remuneration of its Management Board.

The Chairman makes reference to the Remuneration Report on page 59 et seq of the Annual Report, including the updated Remuneration Policy of the Company (the "Remuneration Policy"). The Supervisory Board proposes to the General Meeting to adopt this Remuneration Policy in accordance with clause 14 sub 1 of the Articles of the Company.

The Secretary states that 63,643,733 votes are in favour of this proposal, 2,019,763 votes against and 483,217 votes abstained.

The Chairman confirms that the General Meeting adopts the Remuneration Policy as presented.

#### **6 Composition of the Supervisory Board**

##### **6A Re-appointment of a member of the Supervisory Board**

Under the rotation schedule fixed by the Supervisory Board, Mr. Vladimir Ashurkov reaches the end of term as a Supervisory Board member this year at the end of the AGM. Mr. Ashurkov is eligible for re-appointment.

It is proposed to the General Meeting to re-appoint Mr. Vladimir Ashurkov for a period of four years, from the list of nominees drawn up by the Supervisory Board.

Mr. Ashurkov, a Russian citizen born in 1972, serves as Director of Group Portfolio Management and Control in the Alfa Group Consortium. His main non-executive/ancillary positions include member of the A1 Group Advisory Committee and member of the Russian Technologies Advisory Committee. Prior to joining Alfa Group, Mr. Ashurkov served as Vice President of Strategic Development in Industrial Investors Group (which owns the controlling stake in Far

East Shipping Company) and gained experience in other transport and logistics companies and investment banks. Mr. Ashurkov graduated from Moscow Institute of Physics and Technology with a Bachelor of Science (Physics) and from the Wharton School, University of Pennsylvania, with a Master of Business Administration. Mr. Ashurkov has been a member of the Supervisory Board as of 2006 and is currently serving as the chairman of the Remuneration Committee, the Selection and Appointment Committee and the Strategy Committee. Mr. Ashurkov is a member of the Supervisory Board of Alfa Group. Mr. Ashurkov has no shareholding in the Company.

The Secretary states that 63,873,532 votes are in favour of this proposal and 2,273,181 votes are against.

The General Meeting adopts the re-appointment of Mr. Vladimir Ashurkov as member of the Supervisory Board of the Company with effect per the date of this meeting for a period of four years.

## **6B Appointment of a new member of the Supervisory Board**

It is proposed to the General Meeting of Shareholders to appoint Mr. Alexander Tynkovan as third independent member of the Supervisory Board for a period of four years, from the list of nominees drawn up by the Supervisory Board.

Mr. Tynkovan, a Russian citizen born in 1967 is the founder and CEO of “M.Video”, a leading Russian retail network for selling consumer electronics and home appliances with 13% of the federal market share. “M.Video” is the first and the only public company in its segment. As of 1 April 2008, “M.Video” operates 127 electronics stores in 50 cities of Russia. Mr. Tynkovan graduated summa cum laude from the Moscow Power Engineering Institute, majoring in Aircraft Electric Equipment. With his experience and proven track record in the Russian retail industry Mr. Tynkovan is expected to deliver an important and valuable contribution to the duties of the Supervisory Board and the overall development of the Company. Mr. Tynkovan has no shareholding in the Company.

The Secretary states that 66,142,464 votes are in favour of this proposal and 4,249 votes are against.

The General Meeting adopts the appointment of Mr. Alexander Tynkovan as member of the Supervisory Board of the Company with effect per the date of this meeting for a period of four years.

## **6C Remuneration of the new member of the Supervisory Board**

It is proposed to the General Meeting to approve the following remuneration of Mr. Alexander Tynkovan, in line with the Company’s Remuneration Policy:

- (i) An annual fixed compensation of Euro 120,000 starting the day of his appointment.

Mr. Alexander Tynkovan may be eligible to participate in the Employee Stock Option Plan, the key-elements of which were approved at the annual general meeting of shareholders of 15 June

2007 (the “ESOP”). Any granting of options to Mr. Alexander Tynkovan under the ESOP will be subject to separate approval by the general meeting of shareholders.

The Chairman confirms that the General Meeting approves the remuneration of Mr. Alexander Tynkovan by unanimous vote.

**7 Indemnity arrangement for the Management Board, and designation of the chairman of the Remuneration Committee as authorized person to execute these arrangements on behalf of the Company**

It is proposed to the General Meeting to approve indemnity arrangements to be granted by the Company in favour of the Management Board, and to designate Mr. Vladimir Ashurkov, chairman of the Remuneration Committee of the Supervisory Board, as authorized person to execute these indemnity agreements on behalf of the Company.

The granting of an indemnity by the Company to the members of the Management Board is in general to be considered as an additional element of their remuneration. Pursuant to article 14 of the Articles, the Supervisory Board shall determine the remuneration and further conditions of employment for each member of the Management Board within the scope of the Remuneration Policy adopted by the General Meeting. As this indemnification to be granted to the members of the Management Board is not covered by the current Remuneration Policy, approval of the General Meeting is required to grant this indemnification as an additional element of the remuneration of the Management Board.

With regard to the entering into this indemnification between the Company and the members of Managing Board, the conflict of interest provisions in the Articles of Association apply. Therefore, the General Meeting is requested to designate the chairman of the Remuneration Committee of the Supervisory Board as representative of the Company upon execution of the respective indemnifications with the individual members of the Management Board in accordance with article 16, paragraph 4 of the Articles of Association.

The Secretary states that 66,146,652 votes are in favour of this proposal and 61 votes are against.

The Chairman confirms that the General Meeting approves the indemnity arrangements to be granted by the Company in favour of the Management Board, and to designate Mr. Vladimir Ashurkov, chairman of the Remuneration Committee of the Supervisory Board, as authorized person to execute these indemnity agreements on behalf of the Company.

**8 Indemnity arrangements for Supervisory Board members**

It is proposed to the General Meeting to approve the indemnity arrangements to be granted by the Company to the members of the Supervisory Board.

The granting of an indemnity by the Company to the members of the Supervisory Board is in general to be considered as an additional element of their remuneration. Pursuant to article 22 of the Articles of Association, the General Meeting shall determine the remuneration for each

individual member of the Supervisory Board. Therefore, the granting of this indemnification to the members of the Supervisory Board is submitted to the General Meeting for approval.

The Secretary states that 66,146,652 votes are in favour of this proposal and 61 votes are against.

The Chairman confirms that the General Meeting approves the indemnity arrangements to be granted by the Company to the members of the Supervisory Board.

## **9 Proposal to adjust the Employee Stock Option Plan (“ESOP”)**

Under the ESOP as approved by the General Meeting on 15 June 2007, the Supervisory Board may adjust the number of GDRs comprised in each option to be granted, to neutralise the effect of a variation in the issued share capital of the Company (i.e. dilution).

In connection with the rights offering of the Company as completed on 6 and 8 May 2008 (the "Rights Offering"), the Supervisory Board considered, amongst other things, that the Rights Offering may affect the expected market value of the GDRs to be issued upon exercise of options under the ESOP.

It is proposed to the General Meeting to approve to increase the aggregate number of GDRs in respect of which options may be granted under the ESOP from 10,824,008 GDRs to 11,261,264 GDRs.

The Secretary states that 63,643,769 votes are in favour of this proposal, 2,019,666 votes are against and 483,278 votes abstained.

The Chairman confirms that the General Meeting approves to increase the aggregate number of GDRs in respect of which options may be granted under the ESOP from 10,824,008 GDRs to 11,261,264 GDRs.

## **10 Proposal to amend the Articles of Association**

The Chairman brings into discussion the proposal to amend the articles of association of the Company in accordance with the draft prepared by Lovells LLP Amsterdam office ("Lovells"), which draft was deposited at the office of the Company for inspection by the Shareholder and the holders of Global Depositary Receipts.

In connection with this amendment, it is proposed to authorise each Member of the Management Board and each of the lawyers and notarial assistants practising with Lovells to apply to the Dutch Ministry of Justice for the requisite declaration of no objection on the draft deed of amendment of the articles of association and to execute the deed of amendment.

The Chairman puts the proposal into discussion and concludes that 63,564,130 votes have been issued in favour of the proposal, 2,010,778 votes are against and 571,805 votes abstained, so the proposal is adopted.

## **11 Authorisation of the Management Board to have the Company acquiring shares or depository receipts (i.e. GDRs) in its own capital**

The General Meeting is requested, in accordance with article 9, paragraph 4, of the current Articles of Association, to authorise the Management Board for a period of 18 months as of the date of the AGM, to allow the Company to purchase, for general corporate purposes, up to 10% of the Company's own issued and fully paid up share capital or GDRs representing up to 10% of the Company's issued fully paid up share capital, at or below the market price of the GDRs (as being traded at London Stock Exchange) when such purchase is executed.

The Supervisory Board has resolved, subject to the above delegation by the General Meeting to the Management Board, that in case the amount of 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, the Management Board shall obtain Supervisory Board approval before proceeding with such purchase, pursuant to article 17, paragraph 3 of the current Articles of Association.

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 confirms that the General Meeting decides, by unanimous vote, 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.

## **12 Authorisation of the Management Board, to allow the Company to sell or otherwise dispose, the Company's own issued and fully paid up share capital or depository receipts (i.e. GDRs)**

The General Meeting is requested, in accordance with article 9, paragraph 6, of the current Articles of Association, to authorise the Management Board for a period of 18 months as of the date of the AGM, to allow the Company to sell or otherwise dispose, for general corporate purposes, the Company's own issued and fully paid up share capital or GDRs at or above the market price of the GDRs (as being traded at London Stock Exchange) when such disposal is executed.

The Supervisory Board has resolved, subject to the above delegation by the General Meeting to the Management Board, that in case the price of the sale is below the market price when such disposal is executed or if there is any uncertainty over whether the price of the sale may be below the market price when such disposal is executed, the Management Board shall be obligated to receive Supervisory Board approval before proceeding with such sale, pursuant to article 17, paragraph 3 of the current Articles of Association.

The Chairman puts the proposal into discussion and confirms that the General Meeting decides, by unanimous vote, to allow the Company for a period of 18 months as of the date of the General Meeting, to sell or otherwise dispose the Company's own issued and fully paid up share capital or GDRs in accordance with and subject to the above proposal.

### **13 Extension of the current designation of the Supervisory Board as the corporate body which is authorised to issue shares, including any granting of rights to subscribe for shares, with the power to restrict or exclude the pre-emptive rights to such shares, in connection with the Employee Stock Option Plan**

Pursuant to article 6, paragraph 1 and article 7, paragraph 3 of the Articles of Association, it is proposed to the General Meeting to extend the current designation of the Supervisory Board (as granted by the General Meeting at the annual general meeting of shareholders of 15 June 2007) as the corporate body of the Company which shall be authorised to issue shares or GDRs to the Management Board members, Supervisory Board members, or to any other senior offices or employees of the Company or its subsidiary companies in connection with the ESOP, including any granting of rights to subscribe for shares or GDRs, with the power to restrict or exclude the pre-emptive rights to such shares or GDRs, for a period of eighteen months to be calculated from the date of the AGM.

The designation is limited to 5% of the issued share capital of the Company as at the date of the AGM (for the avoidance of doubt, the issued share capital includes issued shares and/or GDRs owned by the Company (directly or indirectly) in its own capital. The Supervisory Board shall determine the time, price and other conditions of the share or GDR issue in accordance with the ESOP.

The Chairman puts the proposal into discussion and concludes that 64,196,451 votes have been issued in favour of the proposal, 1,789,756 votes are against and 160,506 votes abstained, so the proposal is adopted.

### **14 Corporate Governance**

The deviations by the Company from the Dutch Corporate Governance Code as described on pages 52 and 53 of the Annual Report have been discussed.

The General Meeting does not require additional information.

### **15 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  
The Chairman of the AGM

Mr. Frank Lhoëst  
Secretary of the AGM