

Minutes

of the

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

X5 Retail Group N.V.
(hereinafter: the "Company")

held on

7 May 2015 at Parkstraat 20, 2514 JK The Hague, The Netherlands

1. Opening and announcements

Mr. Dmitry Dorofeev, 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, the Management Board of the Company, 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 BNY Mellon (the Depository) to the Secretary (as defined below) (the "Proxy"), a total number of 67,867,743 shares were being represented at the AGM, from the total number of outstanding shares of the Company which is 67,893,218. In accordance with the Proxy, the total number of shares represented at the AGM include 17,327,967 shares (25,53%) that can be voted at the discretion of the Company.

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 the shareholders in accordance with the voting instructions received from BNY Mellon.

2. Annual report of the Management Board for the financial year 2014

The Chairman provides the General Meeting with an overview of the activities and of the performance of the Company during the financial year 2014.

3. Financial Statements for the financial year 2014

a. Remuneration Policy

In accordance with article 2:135 paragraph 5a of the Dutch Civil Code the remuneration policy is dealt with and explained as a separate agenda item. The remuneration policy for the members of the Management Board and the Executive Committee has been approved in the Annual General Meeting of Shareholders on 29 April

2013. As stated in the 2014 Remuneration Report, it is the intention that the current policy will be continued in 2015 and beyond, subject to the amendments proposed under agenda item 8 of this AGM.

b. Explanation of 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.

c. Determination of the allocation of the results for the financial year 2014

It is proposed by the Supervisory Board to transfer the Company's results for the financial year 2014 to the other reserves of the Company.

The Secretary states that 67,828,412 votes (99,94%) are in favour of this proposal and 39,331 votes (0,06%) abstained, whereupon the Chairman confirms that this proposal is approved by the General Meeting.

d. Adoption of the Financial Statements for the financial year 2014

The Financial Statements for the financial year 2014 (the "Financial Statements"), as included in the 2014 Annual Report (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 Financial Statements.

Mr. Sander Gerritsen, 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 Financial Statements.

The Secretary states that 67,787,491 votes (99,88%) are in favour of this proposal, 6,416 votes (0,01%) are against and 73,836 votes (0,11%) abstained. The Chairman confirms that the General Meeting does not require additional information and adopts the Financial Statements.

4. Discharge from liability of the members of the Management Board

It is proposed to the General Meeting to discharge the Management Board members in office in 2014 from all liability (*décharge verlenen*) in relation to the exercise of their duties in the financial year 2014, 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 Financial Statements.

The Secretary states that 67,793,907 votes (99,89%) are in favour of this proposal and 73,836 votes (0,11%) abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Management Board from liability.

5. Discharge from liability of the members of the Supervisory Board

It is proposed to the General Meeting to discharge the Supervisory Board members in office in 2014 from all liability (*décharge verlenen*) in relation to the exercise of their duties in the financial year 2014, 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 Financial Statements.

The Secretary states that 67,793,907 votes (99,89%) are in favour of this proposal and 73,836 votes (0,11%) abstained. The Chairman confirms that the General Meeting resolves to grant discharge to the members of the Supervisory Board from liability.

6. Re-appointment of Mr. Frank Lhoëst as member of the Management Board

The Supervisory Board proposes to re-appoint Mr. Frank Lhoëst as member of the Management Board for another four-year period ending on the day of the annual general meeting of shareholders to be held in 2019.

Frank Lhoëst (9 March 1962), a Dutch national, was appointed as member of the Management Board and Company Secretary of X5 on 5 November 2007, and re-appointed for a second term in 2011. Previously, Mr. Lhoëst has held several positions at Intertrust Group, from account manager in the Netherlands Antilles to founder and director of the Intertrust office in Vienna, Austria. In 2002, Mr. Lhoëst established the Intellectual Property Group of Intertrust in the Netherlands. Mr. Lhoëst graduated from the Leiden University with a degree in Law.

The Secretary states that 67,828,412 votes (99,94%) are in favour of this proposal and 39,331 (0,06%) votes abstained.

The General Meeting re-appoints Mr. Lhoëst as member of the Management Board of the Company with effect per the date of this meeting for a period of four years ending on the day of the Annual General Meeting in 2019, in accordance with article 12.4 of the Articles of Association.

7A. Appointment of Mr. Geoffrey King as member of the Supervisory Board

The Supervisory Board proposes to appoint Mr. Geoffrey King as member of the Supervisory Board for a term ending on the day of the annual general meeting of shareholders to be held in 2019, which is the fourth year after the year of the appointment.

Geoffrey King (6 July 1965) is a British national. He has extensive financial and retail experience, including almost 22 years at Tesco PLC where he held various finance positions, including CFO for Tesco Ireland, Tesco International and Tesco Poland. More recently he was the Group CFO of Maxis Communications Berhad, a major telecoms operator in Malaysia and India, and for the past ten months has been an advisor to the X5 CEO whilst picking up a detailed understanding of the Company's activities.

The Secretary states that 67,827,096 votes (99,94%) are in favour of this proposal and 40,647 votes (0,06%) abstained. The General Meeting therefore adopts the appointment of Mr. King as member of the Supervisory Board with effect per the date of this meeting for a period of four years ending on the day of the Annual General Meeting in 2019.

7B. Appointment of Mr. Peter Demchenkov as member of the Supervisory Board

The Supervisory Board proposes to appoint Mr. Peter Demchenkov as member of the Supervisory Board for a term ending on the day of the annual general meeting of shareholders to be held in 2019, which is the fourth year after the year of the appointment.

Peter Demchenkov (28 September 1973), a Russian national, is CEO of ALIDI, a leading provider of distribution and logistics services in Russia. From 2004 to 2005 he was Development Director of the Investment bank CIT Finance, and from 1997 to 2004 Mr. Demchenkov worked in Procter & Gamble's Business Development Department in Eastern Europe. Mr. Demchenkov graduated from the St-Petersburg Polytechnical University with a degree in Technical Cybernetics.

The Secretary states that 67,827,096 votes (99,94%) are in favour of this proposal and 40,647 votes (0,06%) abstained. The General Meeting therefore adopts the appointment of Mr. Demchenkov as member of the Supervisory Board with effect per the date of this meeting for a period of four years ending on the day of the Annual General Meeting in 2019.

The Chairman welcomes Messrs. Geoff King and Peter Demchenkov as new members to the Supervisory Board, and expresses his gratitude for the valuable contribution of Messrs. David Gould, Alexander Tynkovan and Alexander Malis who will step down from the Supervisory Board as per this AGM. Currently composed of 7 members, the Supervisory Board may nominate additional candidate board members in the future to strengthen its independence and expertise.

8. Amendment of the Remuneration Policy for Management Board and Executive Committee

It is proposed to amend the Remuneration Policy by substituting the current deferred cash incentive plan by an annual cash incentive and a cash-based long-term incentive plan, both effective as per 1 January 2015, whereby all other features of the Remuneration Policy remain unchanged.

Annual Cash Incentive Plan

The annual incentive for members of the Management Board and Executive Committee rewards both quantitative financial indicators and individual targets. The on-target pay-out as a percentage of base salary is 100%, contingent on full achievement of the objectives, with a cap at 140% in case of exceptional performance.

The Supervisory Board sets the annual incentive targets -and their weight- at the beginning of each financial year, as well as performance ranges, i.e. the value below which no pay-out will be made (the threshold), the on-target value and the maximum pay-out level. The quantitative financial indicators include net sales and EBITDA. The individual targets include targets related to divisional performance, mission-related or key project-related targets, as well as qualitative behavioral targets.

Both the financial and individual performance measures are considered success factors for the Company in the short term, while also contributing to the achievement of the long-term objectives of the Company. X5 does not disclose the actual targets set, or the required performance levels, as this qualifies as commercially sensitive information.

Cash-Based Long-Term Incentive Plan

The long-term incentive plan is a plan in two stages of consecutively three (2015-2017) and two (2018-2019) years. The plan awards the Company's senior executives and other key employees for the achievement of ambitious goals during each applicable performance cycle. These goals reflect the Company's strategic direction approved in 2014. The primary indicator considered by the Supervisory Board for this incentive program is based on the relative performance of specific revenue targets, with an EBITDA threshold in each performance cycle.

For each stage the size of the long-term incentive pool is determined as a percentage of EBITDA. Cash awards under the long-term incentive plan are payable upon achievement of the targets set for each stage, subject to employment with the group and approval of the Supervisory Board. The size of individual cash awards in each relevant stage is based on the total annual remuneration of the participant at the beginning of the stage, and a performance rate reflecting the level of individual performance under the annual cash incentive plan.

The Chairman puts this proposal into discussion and concludes that 67,001,783 votes (98,72%) have been issued in favour of the proposal, 825,312 votes (1,22%) are against and 40,648 votes (0,06%) abstained, so the proposal is adopted.

9. Remuneration of the Supervisory Board

Extraordinary compensation

It is proposed to the General Meeting that the following Supervisory Board members each receive an additional compensation for extraordinary time and efforts spent on key strategic projects in relation to the Company's ongoing transition during 2014:

	Remuneration (in USD)
Alexander Tynkovan	150,000
Igor Shekhterman	150,000
Pawel Musial	420,000

Annual grant of Restricted Stock Units to independent members of the Supervisory Board

It is proposed to the General Meeting that under the Restricted Stock Unit Plan, the independent Supervisory Directors Christian Couvreur, Igor Shekhterman, Pawel Musial, Geoff King and Peter Demchenkov shall be granted a number of Restricted Stock Units (RSUs) with award date 19 May 2016, equal to 100% of the gross annual remuneration -excluding extraordinary compensation- of the relevant Supervisory Director, divided by the average market value of one GDR as of 19 May 2015. Under the rules of the plan, the average market value is defined as the volume weighted average price of a GDR over the thirty calendar days immediately preceding 19 May 2015. The volume weighted average price is calculated using the closing price of a GDR taken from the Official List of the London Stock Exchange.

The award is subject to the relevant Supervisory Director holding office during the period until the award date. The awarded RSUs will vest on 19 May 2018, followed by a lock-in period ending on 19 May 2020.

The Chairman puts these proposals into discussion and concludes that 56,073,622 votes (82,62%) have been issued in favour, 11,753,474 votes (17,32%) are against and 40,647 votes (0,06%) abstained, so the proposals are adopted.

10. Authorization of the Management Board to issue new shares or grant rights to acquire shares, subject to the prior approval of the Supervisory Board

It is proposed to the General Meeting to authorize the Management Board for a period of 18 months from the date of this AGM, i.e. until and including 7 November 2016, to issue shares or grant rights to acquire shares, subject to the approval of the Supervisory Board. The authority to issue shares or to grant rights to acquire shares is intended for the issue of shares or the granting of rights to acquire shares in respect of the Company's share-based compensation plans and to provide the possibility to react in a timely and flexible manner in respect of the financing of the Company. Resolutions to issue shares or grant rights to acquire shares are subject to Supervisory Board approval. This proposal is made in accordance with article 6 paragraph 1 of the Articles of Association and article 2:96 of the Dutch Civil Code. In accordance with current corporate governance practices the proposal is limited to a period of 18 months from the date of this AGM, i.e. until and including 7 November 2016, and to a maximum of 10% of the issued share capital. This authorisation also applies to the issue of new GDRs, or rights to subscribe for new GDRs. One GDR represents 0.25 share of the Company. When this authorization shall be approved, the current authorization shall no longer be utilized.

The Chairman puts the proposal into discussion and concludes that 64,538,835 votes (95,10%) have been issued in favour of the proposal, 3,289,577 votes (4,85%) are against and 39,331 votes (0,06%) abstained, so the proposal is adopted.

11. Authorisation of the Management Board to restrict or exclude the pre-emptive rights upon issue of new shares or granting of rights to acquire shares, subject to the prior approval of the Supervisory Board

It is proposed to the General Meeting to authorize the Management Board for a period of 18 months from the date of this AGM, i.e. until and including 7 November 2016, to restrict or exclude, subject to the approval of the Supervisory Board, pre-emptive rights in relation to the issue of shares or the granting of rights to acquire shares. This proposal is made in accordance with article 7 paragraph 3 of the Articles of Association and article 2:96a of the Dutch Civil Code. In accordance with the proposal under agenda item 10, this proposal is limited to a period of 18 months from the date of this AGM and until and including 7 November 2016. Pursuant to the Articles of Association, if less than 50% of the issued and outstanding capital is represented, this proposal can only be adopted by a majority of at least two-thirds of the votes cast. If 50% or more of the issued and outstanding capital is represented, a simple majority is sufficient to adopt this proposal. When this authorization shall be approved, the current authorization shall no longer be utilized.

The Chairman puts the proposal into discussion and concludes that 64,855,206 votes (95,56%) have been issued in favour of the proposal, 2,973,206 votes (4,38%) are against and 39,331 votes (0,06%) abstained, so the proposal is adopted.

12. Authorisation of the Management Board to resolve that the Company may acquire its own shares or GDRs

The General Meeting is requested, in accordance with article 9 paragraph 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 7 November 2016, 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 authorisation 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 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), 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 67,828,412 votes (99,94%) are in favour of this proposal and 39,331 votes (0,06%) 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.

13. Amendment of the Company's Articles of Association

The Chairman brings into discussion the proposal to amend the Articles of Association, as outlined in the explanatory notes to the AGM agenda dated 26 March 2015.

The draft Deed of Amendment with the proposed amendments was published on the Company's website (www.x5.ru) and made available for inspection at the offices of the Company.

In connection with this amendment, it is proposed to authorise each statutory director of the Company as well as any and all lawyers and paralegals practicing with Hogan Lovells LLP in Amsterdam to execute the notarial deed of amendment to the Articles of Association.

The Chairman puts this proposal into discussion and concludes that 66,294,948 votes (97,68%) are in favor, 571,033 votes (0,84%) are against and 1,001,762 votes (1,48%) abstained, so the proposal is adopted.

14. Appointment of the external auditor for the financial year 2014

The Supervisory Board proposes to re-appoint PricewaterhouseCoopers as the Company's external auditor for the financial year 2015.

The Chairman puts the proposal into discussion and concludes that 67,765,493 votes (99,85%) have been issued in favour of the proposal, 62,919 votes (0,09%) are against and 39,331 votes (0,06%) abstained, so the proposal is adopted.

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. Dmitry Dorofeev
Chairman of the AGM

Mr. Frank Lhoëst
Secretary of the AGM

In accordance with provision IV.3.10 of the Dutch Corporate Governance Code, shareholders and depositary receipt holders have the right to provide their comment to these minutes within three months after their release, i.e. until 7 August 2015. Following this, the minutes shall be adopted and signed by the Chairman and the Secretary.