

Board of Directors

The Board of Directors of PJSC Magnit steers the Company's operations, defines strategic goals and implements effective management practices, while also electing the Management Board, CEO and President. The main objective of the Board of Directors is to increase the value of the business. When making decisions, the Board of Directors takes into account the interests of all shareholders and other stakeholders.

According to the Articles of Association of PJSC Magnit, the Company's Board of Directors shall consist of eleven members. Magnit's Board of Directors is elected by the General Meeting of Shareholders. At least three members of the Board of Directors shall be independent directors.

The members of the collective executive body (Management Board) may not account for more than one-fourth of the members of the Company's Board of Directors. The sole executive bodies (President and Chief Executive Officer) may not simultaneously act as the Chairman of the Board of Directors.

The work of the Board of Directors goes beyond formal meetings. The Board constantly interacts with the management team to streamline cooperation between the executive bodies of the Company and the Board of Directors.

The make-up of the Board is primarily governed by Federal Law No. 208-FZ On Joint Stock

Companies dated 26 December 1995 and also by the Articles of Association, Regulations on General Shareholders Meeting, Regulations on the Board of Directors, and Regulations on the Committees of the Board of Directors.



The HR and Remuneration Committee of the Board of Directors made up of independent directors and/or presided by an independent director assesses, within the scope of its responsibilities and without limitation, whether nominees for the Board of Directors have the required experience, knowledge, business reputation, and are free from a conflict of interest, etc.; whether nominees for the Board of Directors meet the independence criteria set out in the Regulations on the Board of Directors; whether the engagement with shareholders (including minority shareholders) is sufficient to prepare voting recommendations for shareholders during the election of the Company's Board of Directors.

Responsibilities of the Board of Directors

The Board of Directors is the collective governing body responsible for the overall management of the Company, except for the matters reserved to the General Meeting of Shareholders in accordance with the federal laws and the Company's Articles of Association. The Board of Directors is also responsible for the strategic management of the Company, risk management and internal control frameworks, oversight over the executive bodies of the Company, and other key functions.

Induction and training of directors

Newly elected members of Magnit's Board of Directors complete an induction programme, which includes:

-  ▶ meetings with members of the Management Board and the Company's senior executives
-  ▶ introduction to the Company's history, strategy, corporate governance system, risk management and internal control system, the distribution of responsibilities among the Company's executive bodies, and the procedures of the Board of Directors
-  ▶ familiarisation with the Company's documents, including the latest annual reports, the minutes of annual and extraordinary General Meetings of Shareholders, the minutes of meetings of the Board of Directors, and other relevant information about the Company's activities.

Committees of the Board of Directors

In accordance with PJSC Magnit's internal regulations, there are four committees under the Board of Directors:

Audit Committee

Key responsibilities:

- ▶ monitoring and verifying the integrity of financial statements
- ▶ verifying the internal control and risk management system
- ▶ monitoring the effectiveness of internal audits
- ▶ monitoring relations with the external auditor.

Strategy Committee

Key responsibilities:

- ▶ strategic and investment planning
- ▶ identifying priority focus areas
- ▶ endorsing and verifying the business plan and budget.

The committees are made up from members of the Board of Directors who are elected based on their relevant professional experience and knowledge. When electing members of the committees (including the chairs of the committees), the following aspects must be taken into consideration: the education and professional

HR and Remuneration Committee

Key responsibilities:

- ▶ developing and monitoring the Remuneration Policy (including long and short-term incentives)
- ▶ endorsing and monitoring senior management appointments (CEO-1/CEO-2 levels)
- ▶ developing the talent management strategy
- ▶ assessing the performance of the Board of Directors and management team on an annual basis.

Capital Markets Committee

Key responsibilities:

- ▶ developing and improving corporate governance systems
- ▶ preparing, developing and implementing IR strategies
- ▶ assessing the Dividend Policy and drafting relevant recommendations for the Board of Directors.

training of the candidates, their work experience in the Committee's focus area, their document handling skills, as well as other necessary proficiencies and experience.

The Regulations on the Committees of the Board of Directors of PJSC Magnit govern the make-up and activities of the committees.

The work of the committees goes beyond formal meetings. The committees constantly interact with the management team in order to streamline cooperation between the executive bodies of the Company and the Board of Directors.