

# Corporate governance framework

Governance, management and control responsibilities at the Company are vested in shareholders (via the General Meeting of Shareholders), the Board of Directors, the collective executive body (the Management Board) and the sole executive bodies (the President and the Chief Executive Officer) pursuant to applicable Russian corporate laws, Magnit's Articles of Association and internal policies.

## Corporate governance bodies

PJSC Magnit has built a robust corporate governance system and internal controls over its financial and economic activities.

The Company's highest decision-making body is the General Meeting of Shareholders.

The Board of Directors is elected by shareholders and is accountable to them. It provides strategic oversight and monitors the activities of Magnit's executive bodies – the CEO (Chairman of the Management Board), President and Management Board.

The executive bodies are responsible for day-to-day management of the Company and perform tasks set by the shareholders and the Board of Directors.

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

- ▶ Audit Committee
- ▶ HR and Remuneration Committee
- ▶ Strategy Committee
- ▶ Capital Markets Committee

The Internal Audit Department analyses and evaluates the risk management and internal control system, as well as corporate governance.

The Corporate Governance Department carries out the duties of the Corporate Secretary, ensuring the efficient shareholder engagement, coordination of the Company's actions aimed at protection of shareholders' rights and interests, as well as support of the efficient operation of the Board of Directors.



## Regulations

In its corporate governance practices, Magnit adheres to the following regulations:

- ▶ Russian laws
- ▶ Moscow Exchange listing rules
- ▶ Corporate Governance Code recommended by the Bank of Russia<sup>1</sup>.

The Company's activities are governed by the new edition of its Articles of Association approved by the annual General Meeting of Shareholders of PJSC Magnit on 10 June 2021 and internal regulations,<sup>2</sup> including:

<sup>1</sup> For the full Report on Compliance with the Principles and Recommendations of the Corporate Governance Code prepared according to the recommendation letter of the Bank of Russia dated 27 December 2021 No. IN-06-28/102, see Appendix 1.

<sup>2</sup> The internal regulations can be viewed on the Company's website at: <https://www.magnit.com/en/corporate-governance/corporate-documents/>.

## Internal regulations

Document	Effective date
Regulations on the General Shareholders Meeting	11 June 2021
Regulations on the Board of Directors	11 June 2021
Regulations on the Committees of the Board of Directors	10 November 2021
Regulations on the Collective Executive Body (Management Board)	25 December 2020
Regulations on the Sole Executive Bodies (President and CEO)	31 May 2019
Code of Business Ethics	24 March 2019
Regulations on Internal Audit	31 October 2018
List of Insider Information	17 January 2022
Regulations on the Corporate Governance Department	30 May 2016
Regulations on the Dividend Policy	30 May 2016
Internal Control and Risk Management Policy	13 December 2019
Audit Fees Policy	6 September 2021
Anti-Bribery and Corruption Policy	25 February 2014
Regulations on the Information Policy	24 April 2021
Code of PJSC Magnit On Terms and Conditions of Transactions with Financial Instruments	25 June 2019
Anti-Alcohol and Anti-Drug Policy	1 January 2020
Safe Vehicle Use Policy	1 January 2020
Fire Safety Policy	1 January 2020
Occupational and Process Safety Policy	1 January 2020
Charity, Volunteer and Sponsorship Policy	1 January 2020
Environmental Protection and Safety Policy	1 January 2020

# General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making body of the Company. Shareholders of PJSC Magnit may significantly impact the Company's business by participating in the General Meeting of Shareholders.

The key responsibilities of the General Meeting of Shareholders include:

- ▶ approval of the Company's annual report

- ▶ approval of the Company's annual accounting (financial) statements
- ▶ election of the Company's Board of Directors
- ▶ distribution of profits, including dividend payments
- ▶ approval of major and related-party transactions
- ▶ approval of the Company's auditor.

The procedure for the General Meeting of Shareholders

aims to ensure the respect of shareholder rights and meets all the relevant laws and regulations of the Russian Federation.

The annual General Meeting of Shareholders of PJSC Magnit scheduled to take place on 30 June 2022 in the form of absentee voting was declared inquorate.