

# Management Board

The Management Board is the collective executive body responsible for the day-to-day management of the Company within its remit as defined by the Articles of Association.

The Management Board shall be guided by resolutions of the Company's General Meeting of Shareholders and Board of Directors. Resolutions adopted by the General Meeting of Shareholders and the Board of Directors within their remit shall be binding for the Management Board. The Management Board shall report to the Board of Directors and the General Meeting of Shareholders.

The Chief Executive Officer and the President of the Company shall be members of the Management Board by virtue of their office.

The Chief Executive Officer shall act as the Chairman of the Management Board by virtue of office.

Should the powers of the Chief Executive Officer be terminated, up to the moment when the Board of Directors elects a new Chief Executive Officer, the President shall act as the Chairman of the Company's Management Board by virtue of office.

In 2022, the number of Management Board members increased to 14 to improve the decision-making process.



Since 2022, the Management Board consists of

**14 members**

# Corporate Secretary

The Corporate Governance Department of PJSC Magnit discharges the responsibilities of the Corporate Secretary.

The main objective of the Department is to maintain effective communication with the shareholders, coordinate the Company's actions to protect the rights and interests of the shareholders and ensure effective operation of the Board of Directors.

Corporate Governance Department reports to the President and CEO and is held accountable to the Board of Directors.

The main responsibilities of the Corporate Governance Department are as follows:

- ▶ to participate in improving the Company's corporate governance system and practices
- ▶ to participate in preparing for and holding of General Meetings of Shareholders
- ▶ to support the work of the Board of Directors and its committees
- ▶ to participate in implementing the Company's disclosure policy and ensure safekeeping of the Company's documents
- ▶ to ensure interaction between the Company and its shareholders and to participate in preventing corporate conflicts
- ▶ to ensure interaction between the Company and regulatory authorities, organisers of trading activity, the registrar and other professional participants of the securities market within the remit of the Corporate Governance Department
- ▶ to immediately inform the Board of Directors of any breaches of laws and the Company's by-laws, where ensuring compliance with such laws and by-laws is the responsibility of the Corporate Governance Department
- ▶ to ensure that the procedures established by laws and the Company's by-laws to protect the shareholders' rights and legitimate interests are put into practice and to oversee their implementation.

# Internal control and risk management system

The Company's internal control and risk management system is set up to provide reasonable assurance that the Company fulfils its mission and values, whilst meeting business targets. The system gives an accurate, fair and clear representation of the Company's current affairs and prospects, whilst also ensuring the integrity and transparency

of Magnit's accounts and reports. Finally, the system establishes a reasonable and acceptable Company risk level.

The Company's Board of Directors and Management Board ensure the effective operation and development of the internal control and risk management system. This

helps control the Company's strategic and operational goal achievement, the reliability of information disclosure and compliance with external and internal requirements.

## Goals of the internal control and risk management system:

- ▶ strategic goals ensuring the accomplishment of the Company's mission and efficient management of its operations
- ▶ operational goals related to the efficient and effective use of the Company's resources
- ▶ goals ensuring the accuracy of the Company's accounts and reports
- ▶ goals related to compliance with applicable laws and the Company's by-laws.

## Objectives of the internal control and risk management system:

- ▶ reduce the number of unexpected events in the Company's operations
- ▶ define and manage Company risks to provide reasonable assurance that the Company will achieve its goals
- ▶ ensure the right balance between risk appetite and development strategy
- ▶ improve managerial decision-making, including risk response decisions
- ▶ develop a risk-oriented corporate culture with the corporate bodies and management disseminating knowledge and skills across the Company and engaging employees along the way.

In the process of creating shareholder value, the Company makes management decisions based on a number of mixed factors that can have both a positive and negative impact on progress towards the set goals. One of the ways to reduce uncertainty caused by such factors is to raise the awareness of shareholders, management and employees of such factors and assess their potential impact.