

The Company's highest decision-making body is the General Meeting, representing all the Company's shareholders. The Board of Directors, which is elected by the shareholders at the General Meeting and is accountable to them, provides strategic oversight and monitors the activities of the executive bodies: the CEO (Chairman of the Management Board) and the Management Board.

The executive bodies handle the day-to-day management of the Company and perform the tasks assigned to them by the shareholders and the Board of Directors.

The Company has built up robust systems of corporate governance and internal control of its financial and economic activities in order to protect the rights and legitimate interests of its shareholders.

The Board of Directors has an Audit Committee, which, along with the Internal Audit Department, helps the management bodies ensure the efficient operation of the Company, including the organization and functioning of the internal control and risk management system. The Audit Commission monitors the Company's compliance with legal and regulatory acts and the legality of operations.

In order to verify and confirm its financial statements, PJSC "Magnit" engages an external auditor that has no material interests with the Company or its shareholders.

The Human Resources and Remuneration Committee of the Board of Directors provides recommendations on key appointments and management incentives.

The Capital Markets Committee of the Board of Directors has been established in order to ensure high quality communication with investors, coordinate the Company's effort in protecting the rights and interests of shareholders, and provide capital markets feedback to the Board of Directors.

The Company is committed to timely, complete and reliable disclosure of information about its financial position, operational performance, and asset changes enabling its shareholders and potential investors to take informed decisions regarding the Company's stock.

The Company discloses its information in accordance with the requirements of Russian legislation as well as the UK Financial Conduct Authority's (FCA) Handbook of Rules and Guidance. The Company operates a procedure for Access to Insider Information; it has implemented the rules for protecting the confidentiality of insider information and monitors compliance with the legal requirements on preventing misuse of insider information and market manipulation.

General Meeting

The Company's shareholders participate in the Company's governance by voting on resolutions at the General Shareholders Meetings voting casts significant influence over the Company's business. The approval of the Annual Report and accounting statements, the distribution of profit, including dividend payments, the election of the Company's key management and oversight bodies, approval of major and related party transactions, as well as other important issues, all require shareholder approval at the General Meetings.

The procedure for the General Meeting aims to ensure the observance of the shareholder rights and meets all the relevant laws and regulations of the Russian Federation and the applicable legislation of the United Kingdom of Great Britain and Northern Ireland and the European Union. United Kingdom. Процедура проведения общего собрания акционеров направлена на обеспечение соблюдения прав акционеров и отвечает всем требованиям законодательства Российской Федерации.

Shareholders of PJSC "Magnit" held three General Meetings in 2018: two extraordinary general meetings (EGMs) and one annual general meeting (AGM) at which, among other items, the following key resolutions were adopted:

GM and date	Quorum	Key resolutions
EGM April 19, 2018	71.73%	<ul style="list-style-type: none"> Election of the new Board of Directors
AGM June 21, 2018	69.28%	<ul style="list-style-type: none"> Approval of the distribution of profit (including the payment (declaration) of dividends) based on the results of the 2017 reporting year. Approval of new versions of the Charter, the Regulation on the General Meeting of Shareholders, the Regulation on the Board of Directors, and the Regulation on the Collegial Executive Body (Management Board).
EGMS December 5, 2018	60.33%	<ul style="list-style-type: none"> Payment of dividends on PJSC "Magnit" shares based on the results of the first 9 months of the 2018 reporting year

Board of Directors

Role of the Board of Directors

The Company's Board of Directors is the key component of the corporate governance system of PJSC "Magnit". It represents the interests of all shareholders, and it is responsible for growing the Company's shareholder value by putting in place impactful management structures.

The Board of Directors devises and implements corporate governance practices and provides general direction of the Company's business, by setting strategic goals and priorities.

Independent directors make up the majority of the Board of Directors (five out of seven members). The current members of the Board of Directors have extensive expertise in such areas as finance, retail, strategy, technology, and corporate governance. The proportion of independent directors and the directors' skillset are balanced in such a way so as to ensure high standards of integrity and a strategic focus on increasing the Company's shareholder value.

Introduction and training of members of the Board of Directors

When newly elected, members of the Magnit Board of Directors undergo an induction program, which includes the following:

- meetings with members of the Management Board and the Company's senior executives,

- an introduction to the Company's history, strategy, corporate governance system, risk management and internal control system, the distribution of responsibilities between the Company's executive bodies, and the work of the Board of Directors,
- familiarization with the Company's documents: 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.

Members of the Board of Directors

The Board of Directors includes individuals with an impeccable business and personal reputation who possess the knowledge, skills, and experience that are necessary for taking decisions in their capacity of members of the Board of Directors.

The current members of the Board of Directors fully meet its needs in terms of their professional qualifications, experience, and business skills.

The current Board of Directors is well-balanced in terms of the status of directors, their age, nationality, nomination by shareholders, and skillset, and its composition corresponds well with the sector specifics and scale of Magnit's business operations and objectives, as well as the interests of its shareholders.