

In December 2018, the Board of Directors approved the action plan for the Internal Audit Department for 2019.

Remuneration in 2018

Type of remuneration	Amount, RUB mln
Remuneration for participation in the work of the management body	
Salary	8.6
Bonus	3.2
TOTAL	11.9

External audit

To verify and confirm the reliability of its annual financial statements, each year the Company hires a professional audit organization that has no connection to the Company or its shareholders through property interests, chosen from among the major international audit companies. The Company's auditor is approved by the General Meeting of Shareholders based on a proposal from the Board of Directors. The Audit Committee conducts a preliminary assessment of the audit firm candidates.

IFRS auditor

Ernst & Young Limited Liability Company (TIN 7709383532), legal address; Russian Federation, Moscow, 77 Sadovnicheskaya Embankment, building 1, which is a member of the Russian Union of Auditors (Association) Self-Regulatory Organization of Auditors (RUA SRO) (Certificate dated October 20, 2016, Resolution No. 274 dated October 20, 2016, ORNZ 11603050648) and one of the global leaders in the provision of professional services, was approved at the Annual General Meeting of PJSC "Magnit" Shareholders on June 21, 2018 as the auditor of the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Ernst & Young LLC is part of Ernst & Young Global Limited.

Ernst & Young Global Limited has received international recognition and numerous awards for its high quality of services and unique corporate culture.

The auditor audited the 2018 consolidated financial statements of PJSC "Magnit" and its subsidiaries in accordance with IFRS in the reporting year.

Based on the results of the audit, the auditor expressed an opinion on the reliability of the 2018 consolidated financial statements prepared in accordance with IFRS.

The auditor's remuneration in 2018 amounted to RUB 65 million (excluding VAT). The auditor did not provide any non-audit services during the reporting year.

RAS audit

The audit firm Faber Lex Limited Liability Company, location: Krasnodar, 144/2 Krasnykh Partizan Street, was approved at the Annual General Meeting of PJSC "Magnit" Shareholders on June 21, 2018 as the auditor of the Company's accounting (financial) statements for 2018 prepared in accordance with Russian Accounting Standards.

AF Faber Lex LLC is a member of the Russian Union of Auditors (Association) Self-Regulatory Organization of Auditors (RUA SRO) with the main registration number entry (ORNZ) 10203002910 and a Certificate of Membership in the SRO RSA dated August 3, 2016.

Based on the results of the audit of PJSC "Magnit," the auditor expressed an opinion on the reliable reflection of the Company's financial standing in the accounting (financial) statements in all its material aspects.

The auditor's remuneration in 2018 amounted to RUB 301,600.00 (excluding VAT). The auditor did not provide any non-audit services during the reporting year.

Audit Commission

Audit Commission of PJSC "Magnit" is a permanent elected internal control body. The Commission reports to the General Meeting of Shareholders and acts in the interests of the shareholders.

The main job of the Audit Commission is to verify compliance with legislative and other acts governing the Company's activities and the legality of transactions. The three-member Audit Commission is elected at the Annual General Meeting of Shareholders of PJSC "Magnit", which determines its members for the period until the next Annual General Meeting of Shareholders.

The Company's Audit Commission performs the following actions in matters concerning internal control and risk management:

- timely communicates the results of checks (audits) in the form of an opinion or statement to the Company's General Meeting of Shareholders, Board of Directors, and executive bodies;
- provides an assessment of the reliability of the data comprising the Company's annual report contained in the Company's annual financial statements;
- requests the convocation of meetings of the Board of Directors, meetings of the Management Board, or an Extraordinary General Meeting of the Company's Shareholders in cases when violations found in financial and economic activities or a real threat to the Company's interests require the resolution of issues that fall within the purview of these management bodies of the Company;
- records violations of regulatory legal acts or the Company's charter, regulations, rules, or instructions by the Company's employees and officials;