

Corporate Governance Framework

PJSC Magnit has an efficient corporate governance framework that complies with Russian laws, the Rules of the Moscow Exchange and the London Stock Exchange rules. The Company continuously enhances its corporate governance, focusing on the best national and international practices and ensures the protection of shareholders and other stakeholders rights.

Governance, management and control at the Company are divided between the shareholders (via 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 and UK corporate law, Magnit's Articles of Association and internal policies.

Corporate Governance

Chairman's review

Dear Shareholders,

2020 highlighted the importance of a robust corporate governance system and of continuous and open dialogue with the investment community.

In 2020, we decided to focus on building the successful foundation that had been created a year before: we added the necessary expertise to our management team, maintained the optimal balance of independent directors on our Board and implemented essential policies and regulatory documents, which govern the framework of Magnit's day-to-day operations.

In 2020, the Corporate governance system was further strengthened. We still have nine members on our Board, with Gregor Mowat re-joining the team this year and replacing Florian Jansen, who joined management team.

The Committees of the Board of Directors are headed as usual by independent non-executive directors only and consist mostly of independent directors in order to comply with our ambition to obtain a clear and productive decision-making process.

We have also engaged an independent consultant for an external assessment of the Board of Directors as well as conducted self-assessment in the reporting period.

In terms of the balance of independent, non-executive and executive directors, the Company's Board of Directors complies with the best market practices.

According to the results of the assessment by an independent consultant, the Board of Directors was considered to operate with a high level of efficiency as well as involvement of the members of the Board of Directors in the course of their work.

The management team has been enriched by the experience of Florian Jansen, who stepped in from the Board to lead Company's digital initiatives, Maxim Shchegolev, the prominent retail professional and Anna Meleshina who now holds a position of a Director for Corporate Relations and Sustainability.

We consider these moves to be highly beneficial for the further development of Magnit and keeping up with the recent developments in digitalisation and integration in global retail.

In 2020, we rolled out our Sustainability Strategy and created the Sustainability Steering Committee headed by our President and CEO Jan Dunning which consists of the 16 working groups with the representatives from every key unit of the Company. This move corresponds with the long-term aspirations of Magnit in terms of tackling ESG issues and its aspirations to install fully transparent and effective corporate governance.

One of the noteworthy updates is the adoption of the new edition of Magnit's Articles of Association, which helped us combine all the changes of the previous years and generally enhance the level of the corporate governance within the Company.

We continued to develop our long-term and short-term incentive programmes to ensure an optimal and fair method of motivation and compensation for top management.

Despite the fact that it was impossible to be in touch with the investors face-to-face this year due to the Covid-19 pandemic, we remained actively involved participating in virtual conferences and meetings. We also wanted to keep stakeholders regularly informed in regard to Company's performance and developments and so issued more press-releases and updates compared to the previous year and launched a new corporate website with a more user-friendly interface.

We set ourselves the ambitious task of further strengthening our corporate governance practices in accordance with Russian standards. We endeavour to also comply with the UK Corporate Governance Code. Despite the general market uncertainty and the challenges of the pandemic, in 2020 Magnit continued to implement best corporate governance practices. We plan to continue to work for the benefit of all our shareholders, developing a sustainable and successful business.

Charles Ryan

Chairman of the Board of Directors

Composition

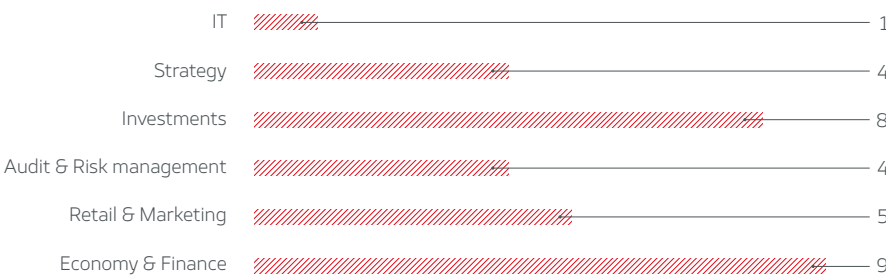
of the Board of Directors

	Diversity	
	Nationality	Tenure, years
Charles Ryan	USA	3
James Simmons	USA	3
Alexander Vinokurov	Russia	2
Tim Demchenko	UK	3
Jan Dunning	Netherlands	2
Walter Koch	Germany	2
Evgeny Kuznetsov	Russia	2
Alexey Makhnev	Russia	3 ¹
Gregor Mowat	UK	1 ²

Changes in the composition of the Board of Directors in 2020

The Annual General Meeting of shareholders of PJSC Magnit on 4 June 2020 (minutes w/o number dated 05 June 2020) made a decision to elect the Board of Directors in a new composition. Gregor William Mowat, who previously served in the Board of Directors in 2018-2019, was re-elected to the Board of Directors. Florian Jansen, who took over as member of the Management Board and Deputy CEO – Executive Director, did not join the new Board of Directors.

Competences of the Board of Directors



With the exception of Jan Dunning, members of the Board of Directors had not participated in the authorised capital of PJSC Magnit, had not owned ordinary shares of PJSC Magnit, and had not made transactions with ordinary shares of PJSC Magnit for the reporting year 2020.

¹ Prior to that, he was a member of the Board of Directors from 25 June 2009 to 5 June 2015.
² Prior to that, he was a member of the Board of Directors from 19 April 2018 to 30 May 2019.

Board of Directors

Charles Ryan

Chairman of the Board of Directors

Age
53³

Citizenship
USA

Education
1989 - Harvard University (Bachelor of Arts, Faculty of Arts and Sciences, Public Administration)

Current Employment
2008 - Present – Chairman of the Board of Directors, UFG Asset Management

Current membership in the Board of Directors
2005 - present – Member of the Board of Directors, PGI Plc
2006 - present – Member of the Advisory Council, U.S. – Russia Business Council
2007 - present – Co-Founder and Principal Partner, Almaz Capital Partners
2008 - present – Member of the Advisory Council, Capital Group International
2009 - present – Member of the Board of Directors, Trans-Siberian Gold plc
2011 - present – Member of the Board of Directors, World Affairs Council Philadelphia
2011 - present – Member of the Board of Directors and Chairman of the Audit Committee, Yandex N.V.
2012 - present – Member of the Advisory Board, Harvard University Global Advisory Council
2013 - present – Co-Founder and Member of the Board of Directors, Liberty Energy Trust
2014 - present – Member of the Board of Directors, Jensen Management I Limited
2016 - present – Member of the Management Board, ODIN EPC. (Northstar Industries, LLC)
2018 - present – Member of the Board of Directors, Ozon Holding LLC
2018 - present – Chairman of the Board of Directors, PJSC Magnit
2020 - present – Member of the Board of Directors, Member of the Audit Committee and Member of the Nominating Committee, Ozon Holdings PLC



Experience
Charles Ryan's distinguished financial career combines top level expertise and deep knowledge of both Russian and international markets. Mr. Ryan began his professional career in 1989 with CS First Boston, where he was a Financial Analyst. From 1991 to 1994, Mr. Ryan was an Associate and Principal Banker with the European Bank for Reconstruction and Development in London, where he played a crucial role in the city of St. Petersburg's privatization programme for industry and real estate. In 1994, Mr. Ryan co-founded the United Financial Group, an independent investment bank in Moscow. United Financial Group was a founding member of such key market institutions as RTS (now part of the Moscow Exchange) and Investor Protection Association. UFG Asset Management was founded as part of the United Financial Group in 1996.

In 2005, when Deutsche Bank acquired 100% of UFG's investment banking business, Charles Ryan was appointed as the Chief Country Officer and CEO of the Deutsche Bank Group in Russia. He stepped down as the CEO of Deutsche Bank in Russia in September 2008 and in October 2008 became the Chairman of UFG Asset Management. In addition to his role as the Chairman, Mr. Ryan is also responsible for the overall management of UFG's private equity business.

³ As of 31.12.2020

Board of Directors (continued)

James Simmons

Deputy Chairman

Age
42

Citizenship
USA

Education
2000 – Princeton University (Bachelor of Science in Engineering);
2007 – Harvard Business School (MBA).

Current Employment
2015-present – Managing Partner, Mazovia Capital

Current membership in the Board of Directors
2015-present – Member of the Board of Directors, ClearCheck Global Holdings
2015-present – Member of the Board of Directors, Mazovia Capital
2017-present – Chairman of the Board of Directors, Digital Care
2018-present – Deputy Chairman of the Board of Directors, PJSC Magnit¹



Experience
Mr. Simmons is a managing partner at Mazovia Capital, a private investment group active in financial services, software, real estate and venture capital. Mr. Simmons serves as Chairman of Digital Care, a leading European provider of value-added services for consumer electronics devices. He also serves on the Board of ClearCheck Global Holdings, an automotive software business present in Latin America and Europe.

Prior to joining Mazovia Capital, Mr. Simmons worked for 15 years in private equity and investment banking in Russia, Europe and the U.S. Mr. Simmons holds a B.S.E. from Princeton University, where he graduated magna cum laude, and earned an MBA from Harvard Business School, where he was a Baker Scholar.

Tim Demchenko

Member of the Board of Directors

Age
47

Citizenship
UK

Education
1999 – London Business School (Master of Finance)
2016 – Harvard Business School (Executive Education)

Current Employment
2008 – present - Global Head of Private Equity and Special Situations, VTB Capital Plc.

Current membership in the Board of Directors
2018 - present – Member of the Board of Directors, PJSC Magnit

Experience
Tim has over 20 years of private equity and corporate investment experience across multiple European markets and Russia. In 2008, Tim founded VTB Capital's Private Equity and Special Situations business. As the Head and Managing Director of the business Tim has developed investment strategy and built an international investment team based both in London and Moscow. The business has invested over USD 2 billion of capital jointly with international co-investors, and achieved successful portfolio exits, including sales to strategic investors and IPO on the LSE and NYSE, with an average internal rate of return exceeding 40%.



Tim has lead VTB Capital private equity's investment in the Russian hypermarket chain Lenta and served as the member of the Board from the initial investment until 2010 and as a member of the Board until Lenta's IPO on the LSE in 2014.

Prior to joining VTB Capital, Tim was responsible for the launch of Deutsche Bank's Private Equity business in Russia and CIS. Previously Mr. Demchenko worked for global multinational corporations (IBM and Siemens) as a senior executive based in London where he managed multiple large scale corporate investment projects. Prior to that, Tim served as an investment officer at TD Capital private equity based in London and focused on investments in the TMT sector across Europe and the US.

¹ Since 17 July 2019. Prior to that a Member of the Board of Directors.

Board of Directors (continued)

Jan Dunning

Member of the Board of Directors, Chairman of the Management Board, President and CEO

Age
61

Citizenship
Netherlands

Education
1983 – University of Groningen (Bachelor’s Degree)
1989 – University of Amsterdam (Bachelor of History)
2007 – London Business School (Executive Programme)
2008 – INSEAD (Marketing Programme)

Current Employment
2019 – present – Chairman of the Management Board, President and Chief Executive Officer, PJSC Magnit

Current membership in the Board of Directors
2019 – present – Member of the Board of Directors, PJSC Magnit

Experience
Jan Dunning was Operations Director of Metro Cash & Carry Russia and then General Manager of Metro Cash & Carry Ukraine. Jan’s previous experience also includes three years as General Manager of the Lukas Klamer wholesale business, a subsidiary of the Metro Group in the Netherlands, and over ten years with Aldi North. Over the last 25 years, he has worked in a broad range of retail functions including leadership roles in operations, development, sales, marketing, purchasing and finance.

In 2011-2018, Jan worked as a Chief Executive Officer of Lenta.

In January 2019 Jan Dunning was appointed the President of Magnit and joined Magnit Management Board. In May 2019 Mr. Dunning was elected a Member of Magnit Board of Directors. In June 2019 Jan Dunning assumed the role of the Chief Executive Officer of Magnit.



Participatory interest in the Company's charter capital¹
Share in the authorized capital: 0.176217% (including 46,226 Global Depositary Receipts (GDRs), which certify the rights in relation to ordinary shares of PJSC Magnit in the ratio of 5 GDRs per ordinary share);
The percentage of owned PJSC Magnit ordinary shares is 0.167145%.

Information about transactions to acquire/dispose the Company's shares concluded over the reporting period:

Date	Transaction type	Transaction volume, (pc.)
23.03.2020	Acquisition	41,177
14.05.2020	Acquisition	23,404

Information on transactions to acquire/dispose of global depositary receipts (GDRs), which certify the rights in relation to ordinary shares of PJSC Magnit, for the reporting period:

Date	Transaction type	Transaction volume, (GDRs, pc.)
23.11.2020	Acquisition	34,035
24.11.2020	Acquisition	12,191

Walter Koch

Member of the Board of Directors

Age
58

Citizenship
Germany

Education
1988 - University for applied Sciences, Aalen, Germany (Precision engineering)
2000 – INSEAD (Management education)

Current Employment
2010 – present - Owner, Senior Advisor, Twinsuccess – Restructuring & Change Management
2012 – present - Chief Executive Officer, Master-tees GmbH

Current membership in the Board of Directors
2019 – present – Member of the Board of Directors, PJSC Magnit



Experience
Starting from 1999, Walter Koch obtained senior positions with the largest European home appliances manufacturers such as AEG and Electrolux, being in charge of Logistics, SCM and After Sales Service.

During 2007 to 2010 Mr. Koch served as Executive Vice-President and COO of Sanitec Corporation (Helsinki, Finland). From 2011 till 2016 he held the position of an Independent Director on the Board of PJSC Mvideo in Russia.

Presently Mr. Koch owns and operates an independent consulting firm and in May 2019 he got elected as an Independent Director of PJSC Magnit.

¹ Hereinafter, information on the participation in the chartet capital (share of owned ordinary shares) is given as of 31 December 2020.

Board of Directors (continued)

Evgeny Kuznetsov

Member of the Board of Directors

Age
51

Citizenship
Russia

Education
1991 – Barnaul Pedagogical Institute (Foreign Languages)
1996 – University of Oregon (MBA in Finance)

Current membership in the Board of Directors
2019 – present – Member of the Board of Directors,
PJSC Magnit



Experience
For 20 years Evgeny Kuznetsov served as a Partner and Portfolio Manager at Genesis Investment Management, LLP, a London-based institutional fund manager specializing in Emerging Markets. Evgeny joined Genesis in 1996 as an investment analyst and over the following twenty years conducted research and made portfolio investments in various countries and regions, including Russia, Eastern Europe, Asia and Latin America.

Alexey Makhnev

Member of the Board of Directors

Age
44

Citizenship
Russia

Education
1998 – Saint Petersburg State University of Economics and Finance (Economics)
2001 – Saint Petersburg State University of Economics and Finance (Ph.D.)

Current Employment
2009 – present – Vice Chairman, VTB Capital
2018 – present - Advisor to the First Deputy President and Chairman of the Management Board, Senior Vice President, VTB Bank PJSC

Current membership in the Board of Directors
2015 – present - Member of the Board of Directors, LSR Group PJSC
2017 – present – Member of the Board of Directors, M.video PJSC
2018 – present – Member of the Board of Directors, VTB Real Estate LLC
2018 – present – Member of the Board of Directors, PJSC Magnit
2021 – present – Member of the Board of Directors, Fix Price Group Limited



Experience
Mr. Makhnev has almost two decades of expertise and experience with the Russian consumer and retail sector. In 2006, Mr. Makhnev was a lead member of the Deutsche Bank investment banking team that conducted Magnit IPO. For six years from 2009 to 2015 Mr. Makhnev served on Magnit's Board of Directors as an independent director.

Over the past 18 years, Mr. Makhnev has worked on a large number of consumer and retail transactions in Russia and the CIS. Almost all Russian listed companies are among Mr. Makhnev's clients including but not limited to Magnit, Lenta, Okey, Dixy, Mvideo, LSR, Etalon, PIK, and Rusagro.

Board of Directors (continued)

Gregor Mowat

Member of the Board of Directors

Age
48

Citizenship
UK

Education
1994 – Durham University (Bachelor of English Language and Literature)
1998 – Institute of Chartered Accountants of Scotland (Member of the Institute of Chartered Accountants of Scotland)

Current Employment
2016 – present – Director, Nooli UK Ltd

Current membership in the Board of Directors
2016-present – Co-Founder, Member of the Board of Directors, Nooli UK Ltd
2016-present – Member of the Board of Directors, LOQBOX Savings Limited
2016-present – Member of the Board of Directors, DDC Financial Solutions Limited
2016-present – Member of the Board of Directors, Credit Improver Limited
2017-present – Member of the Board of Directors, Nord Gold SE
2018-present – Member of the Board of Directors, AK BARS BANK PJSC
2019-present – Member of the Board of Directors, LOQBOX US INC
2019-present – Member of the Board of Directors, LOQBOX Savings LLC
2019 -present – Member of the Board of Directors, LOQBOX Finance LLC
2020-present – Member of the Board of Directors, PJSC Magnit
2020-present – Member of the Board of Directors, PIK Group PJSC
2021 – present – Member of the Board of Directors, Fix Price Group Limited



Experience
Mr Mowat spent more than 20 years working in the audit and accounting profession, mainly with KPMG. With a principal focus on banking and financial services clients, he also covered other sectors including oil and gas and natural resources.

In 2011, Mr Mowat was appointed CFO of KPMG in Russia and CIS, a role he held until 2016 and which required him to take responsibility for all the support functions in a multijurisdictional professional services firm with 4,000 staff. In 2013, in addition to his CFO responsibilities, Mr Mowat was appointed Managing Partner of KPMG in Kazakhstan, growing the business significantly in a challenging economic environment.

After being part of the team that set up and implemented the corporate governance for KPMG in Russia and CIS, including being a founding member of the Board of Partners, in 2016, Mr Mowat joined his family in the UK where he co-founded LOQBOX, a FinTech that provides everyone with a completely free way to build a credit payment history and learn responsible financial management while they save. LOQBOX fixes financial exclusion for the large group of people globally who are locked out of the financial system either through no fault of their own or because they have made mistakes in the past.

Alexander Vinokurov

Member of the Board of Directors

Age
38

Citizenship
Russia

Education
2004 – University of Cambridge (Bachelor and Master of Economics)

Current Employment
2017 – present – President, Marathon Group LLC

Current membership in the Board of Directors
2019 – present – Member of the Board of Directors, PJSC Magnit
2020 – present – Member of the Board of Directors, LLC Binnopharm Group



Experience
In 2004, Alexander graduated with honors from the Faculty of Economics of the University of Cambridge. He received a BA and a MA in economics.

Later that year he began his career with the investment banking division of Morgan Stanley (London). In 2006, Alexander returned to Russia as Vice-President of TPG Capital, co-founding the company's Russian office.

In 2011, Alexander assumed the post of President of Summa Group, which has significant investments in port and rail logistics, engineering, construction, telecommunications, oil and gas, oil trading and agriculture.

In 2014, Alexander Vinokurov became CEO of A1, Alfa Group's investment arm specialising in the acquisition of the assets that are undervalued due to challenging economic situations.

On 15 May 2017, Alexander left his post as President of A1 to join Marathon Group.

Composition

of the Management Board



Jan Dunning
Member of the Board of Directors, Chairman of the Management Board, President and CEO

Age
61

Education
1983 – University of Groningen (Bachelor’s Degree)
1989 – University of Amsterdam (Bachelor of History)
2007 – London Business School (Executive Programme)
2008 – INSEAD (Marketing Programme)

Current Employment
2019 – present – Chairman of the Management Board, President and Chief Executive Officer, PJSC Magnit
Current membership in the Board of Directors
2019 – present – Member of the Board of Directors, PJSC Magnit

Experience
Jan Dunning was Operations Director of Metro Cash & Carry Russia and then General Manager of Metro Cash & Carry Ukraine. Jan’s previous experience also includes three years as General Manager of the Lukas Klamer wholesale business, a subsidiary of the Metro Group in the Netherlands, and over ten years with Aldi North. Over the last 25 years, he has worked in a broad range of retail functions including leadership roles in operations, development, sales, marketing, purchasing and finance.
In 2011-2018, Jan worked as a Chief Executive Officer of Lenta. In January 2019, Jan Dunning was appointed the President of Magnit and joined Magnit Management Board. In May 2019, Mr. Dunning was elected a Member of Magnit Board of Directors. In June 2019, Jan Dunning assumed the role of the Chief Executive Officer of Magnit.

Participatory interest in the Company’s charter capital¹
Share in the authorized capital: 0.176217% (including 46,226 Global Depositary Receipts (GDRs), which certify the rights in relation to ordinary shares of PJSC Magnit in the ratio of 5 GDRs per ordinary share);
The percentage of owned PJSC Magnit ordinary shares is 0.167145%.

Information about transactions to acquire/dispose the Company’s shares concluded over the reporting period:

Date	Transaction type	Transaction volume, (pc.)
23.03.2020	Acquisition	41,177
14.05.2020	Acquisition	23,404

Information on transactions to acquire/dispose of global depositary receipts (GDRs), which certify the rights in relation to ordinary shares of PJSC Magnit, for the reporting period:

Date	Transaction type	Transaction volume, (GDRs, pc.)
23.11.2020	Acquisition	34,035
24.11.2020	Acquisition	12,191



Anna Bobrova
Member of the Management Board, HR Director

Age
45

Education
2000 – Lomonosov Moscow State University (Psychology).

Experience
Anna has almost 20 years of experience in HR and has successfully implemented projects aimed at development and performance enhancement of line staff and management, increase of service level in stores, as well as built and managed modern IT systems in employee management of the retail sector.
Prior to Magnit, in 2003 – 2009 Ms. Bobrova worked in HR department of Metro, from 2011 to 2013 was the Director of HR and Organizational Development in X5 Retail Group N.V. Anna Bobrova held managerial positions in HR in JSC SIA International Ltd (2015 – 2019), Rimera Group (2013 – 2015) and Rosatom (2009 - 2011).
From August 2019 occupies a position of the HR Director of PJSC Magnit. Anna was appointed a member of the Management Board of PJSC Magnit on 10 September 2019.

Shareholding information
Does not own any interest in PJSC Magnit’s charter capital, does not own PJSC Magnit’s ordinary shares and did not conclude any transactions with PJSC Magnit’s ordinary shares during the reporting period.



Andrey Bodrov
Member of the Management Board, Chief Investment and Strategy Officer

Age
38

Education
2003 – MGIMO University of Moscow (Bachelor of International Relations)
2005 – MGIMO University of Moscow (Master of Law)

Experience
Andrey Bodrov worked for many leading International and Russian financial institutions including Morgan Stanley, Deutsche Bank, VTB Capital and Renaissance Capital with a primary focus on the Retail & Consumer sectors. During his over ten years investment banking career Andrey was involved in many landmark transactions in the Russian market (including M&A, capital markets, advisory, structured finance etc.).
Prior to joining Magnit, Andrey worked as Mergers & Acquisitions Director in Lenta since February 2016. From September 2019 until present Mr. Bodrov occupies a position of the Chief Investment and Strategy Officer of PJSC Magnit. Andrey Bodrov is responsible for Magnit’s investments, strategy, capital allocation and M&A. Andrey Bodrov was elected as a Member of the Management Board of PJSC Magnit on 13 December 2019.

Shareholding information
Does not own any interest in PJSC Magnit’s charter capital, does not own PJSC Magnit’s ordinary shares and did not conclude any transactions with PJSC Magnit’s ordinary shares during the reporting period.

¹ Hereinafter, information on the participation in the chartet capital (share of owned ordinary shares) is given as of 31 December 2020.

Composition of the Management Board (continued)



Maria Dei
Member of the Management Board,
Supply Chain Director

Age
37

Education
2005 – All-Russian State Tax Academy of the Ministry of Taxation and Fees of the Russian Federation (Economics)

Experience
From 2008 to 2016 Ms. Dei occupied different managerial positions of supply and sales planning departments in such companies as Unilever Rus LLC, CAMPARI RUS LLC, Bacardi Rus LLC.
From 2017 to 2018 Ms. Dei served as Operational Planning Director in Central Office of Pyaterochka store network (X5 Retail Group N.V.).
Maria Dei joined Magnit in June 2018 and currently occupies a position of a Supply Chain Director and a Member of the Management Board of PJSC Magnit.

Shareholding information
Participatory interest in the Company's charter capital (percentage of the Company's ordinary shares): 0.003234%.

Information about transactions to acquire/dispose the Company's shares concluded over the reporting period:

Date	Transaction type	Transaction volume, (pc.)
13.05.2020	Acquisition	1,648



Ruslan Ismailov
Member of the Management Board,
Deputy CEO – Retail Chain Director

Age
43

Education
1998 – Moscow University of Consumer Cooperation (International Economics)

Experience
Ruslan Ismailov joined Magnit as the Retail Chain Director on 27 May 2019. On June 4, 2019 he was appointed a Member of the Management Board.
Mr. Ismailov has over 15 years of experience in managing consumer companies.
He started his career in 2003 in Metro Cash&Carry retail chain, worked his way from a department manager to a hypermarket director. In 2009, Ruslan Ismailov held the position of the Deputy Chief Executive Officer of Mosmart multi-format retail chain. Prior to joining our Company, Ruslan worked as a divisional director and headed the Supermarket format for 4 years in Lenta.

Shareholding information
Does not own any interest in PJSC Magnit's charter capital, does not own PJSC Magnit's ordinary shares and did not conclude any transactions with PJSC Magnit's ordinary shares during the reporting period.



Florian Jansen
Member of the Management Board,
Deputy CEO – Executive Director

Age
39

Education
2006 – University of Witten/Herdecke, Witten, Germany (Business & Economics, Diploma (Master equivalent)
2010 – London School of Economics, London (Dual MPA, Economic and Public Policy)
2010 – Columbia University, New York City (Dual MPA, Economic and Public Policy)

Experience
Florian Jansen is the co-founder and the ex-CEO of Lamoda Group, which is a part of a public company Global Fashion Group. Prior to taking the lead in Lamoda Group, Florian Jansen worked at McKinsey & Company for several years. Florian holds Master's degrees from the German University of Witten / Herdecke, the London School of Economics and Columbia University, New York. He has been investing as an angel in several startups across fashion, ecommerce, food delivery, and technology and continues to serve as an independent technology investor.
Florian Jansen was a member of Magnit Board of Directors as an independent director from June 2019 to May 12, 2020 when he joined Magnit as the Deputy CEO - Executive Director. On July 3, 2020 Florian Jansen was appointed as Member of the Management Board.

Shareholding information
Does not own any interest in PJSC Magnit's charter capital, does not own PJSC Magnit's ordinary shares and did not conclude any transactions with PJSC Magnit's ordinary shares during the reporting period.



Anna Meleshina
Member of the Management Board,
Corporate Relations & Sustainability Director

Age
43

Education
1999 – St. Petersburg State University (philology)
2007 - Henley Management College (UK), MBA degree

Experience
Anna Meleshina joined Magnit in May 2019 as a Director for Government & Public Relations and in August, 2019 was appointed Director for Corporate Relations & Sustainability. On November 20, 2020 Anna Meleshina was appointed a Member of the Management Board. Prior to Magnit, Anna served as a Public Affairs & Communications Director for Coca-Cola in Russia and Belarus from 2017 till 2019. From 2013 till 2017 Anna held a position of a Public Relations & Government Affairs Director and was a member of the Management Board in Lenta. From 2002 till 2013 Ms. Meleshina took different roles in HEINEKEN having become Corporate Relations Director for the company in Russia and a member of the HEINEKEN global corporate relations leadership team. Next to that, Anna hold senior positions in non-commercial organizations, including an advisory role at the Honorary Consul of Iceland in St. Petersburg, and a board member and Deputy Chairman of the Russian Breweries' Association.

Anna is responsible for government relations, external communications in Russia and internationally, as well as sustainability.

Shareholding information
Does not own any interest in PJSC Magnit's charter capital, does not own PJSC Magnit's ordinary shares and did not conclude any transactions with PJSC Magnit's ordinary shares during the reporting period.

Composition of the Management Board (continued)



Maxim Shchegolev
Member of the Management Board, Director for Chain Development, Real Estate and Maintenance
Age 54

Education
1993 - St. Petersburg University of Economics and Finance (Economics)

Experience
Maxim Shchegolev has over 20 years of experience in retail. Before joining Magnit, he served as the Director for Format Development and Integration at Lenta since 2012, and prior to that, he worked in management positions for eight years in O'KEY Group, where, for the most part, he was responsible for store chain development. At earlier stages of his career, Mr. Shchegolev occupied various management positions in companies dealing in electronics and household appliances, including Megatehnika and Partiya.

From April 2020 Maxim occupies a position of the Director for Chain Development, Real Estate and Maintenance of PJSC Magnit. Maxim was appointed a member of the Management Board of PJSC Magnit on April 14, 2020.

Shareholding information
Does not own any interest in PJSC Magnit's charter capital, does not own PJSC Magnit's ordinary shares and did not conclude any transactions with PJSC Magnit's ordinary shares during the reporting period.



Elena Zhavoronkova
Member of the Management Board, Chief Legal Officer
Age 50

Education
2002 – Moscow State Law Academy (Law)

Experience
Elena Zhavoronkova joined Magnit in June 2018 as a Director for Legal Affairs and Corporate Governance. On 22 June 2018, she was appointed a Member of the Management Board. Previously, she served as a Vice President for Legal Affairs in PJSC Polyus. In 2010-2014, Elena Zhavoronkova held a similar position in Evraz. From 2008 to 2010 Ms. Zhavoronkova headed the legal department in United Industrial Corporation. In 2000-2008, worked her way from legal consultant to the Head of Legal Department in TMK.

Shareholding information
Participatory interest in the Company's charter capital (percentage of the Company's ordinary shares): 0.004706%.

Information about transactions to acquire/dispose the Company's shares concluded over the reporting period:

Date	Transaction type	Transaction volume, (pc.)
13.05.2020	Acquisition	1,648



Dmitry Ivanov
Controlling Director, Acting Chief Financial Officer of JSC Tander
Age 44

Education
1999 – St.Petersburg State University of Economics and Finance (FINEC) (faculty of Finance, Credit and International relationship)

Experience
Dmitry Ivanov has 20 years of experience in corporate finances in retail sector. Prior to joining Magnit, Dmitry spent 10 years in leading positions in corporate finance and controlling at Lenta and for 9 years in a similar position at Laverna. From October 2019 until present Dmitry occupies a position of the Controlling Director. From July 15, 2020 Dmitry Ivanov is appointed acting Chief Financial Officer of JSC Tander¹.

¹ Is not a member of the Management Board of PJSC Magnit.

Composition of the Management Board (continued)

Changes in the composition of the Management Board

In 2020 the composition of the Management Board underwent a number of changes that affected financial block, commercial block and strategic communications.

Elena Milinova who held the position of the Chief Financial Officer made a decision to leave the Company. Dmitry Ivanov is appointed acting Chief Financial Officer of JSC Tander¹.

Vladimir Sorokin, who held the office of Deputy Chief Executive Officer – Commercial Director, made a decision to resign. Jan Dunning temporarily undertook an acting role of Commercial Director. Subsequently the Company's commercial department will be restructured, including launch of a dedicated commercial procurement unit. The aim of restructuring is to further strengthen category management, pricing, promo planning and private labels to ensure customer offering and margin improvement going forward.

The powers of Jyrki Talvitie as a member of the Management Board were early terminated. He held the position of Director for Strategic Communications. Jyrki Talvitie remains engaged with the Company as a Senior Advisor on Sustainability. Anna Meleshina heads Corporate Relations & Sustainability holding the position of the Department Director. Anna also became a member of the Management Board of Magnit.

Besides that, during the re-election of the Management Board, Anton Zavalkovsky, who previously held the position of Real Estate Director, was not included in its composition. He now heads the Procurement and Process Safety Directorate created after merger of the respective departments. Evgeny Melnikov resigned and continued to serve as a temporary advisor.

In 2020, Mr. Jansen joined the Management Board of the Company to accelerate Magnit's digital transformation. Florian Jansen's responsibilities as Deputy CEO – Executive Director include such functions as managing the digital transformation office, project office, developing IT, technology, advanced analytics, and Big Data, as well as marketing, loyalty and CRM implementation, and omnichannel services.

Comparing to the previous composition the Board was joined by:

- Maxim Shchegolev, Director for Chain Development, Real Estate and Maintenance
- Florian Jansen, Deputy CEO – Executive Director
- Anna Meleshina, Director for Corporate Relations & Sustainability.

Structure of corporate governance bodies

PJSC Magnit has built robust systems of corporate governance and internal controls on its financial and economic activities.

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

The Board of Directors is elected by shareholders at the General Meeting and is accountable to them. It provides strategic oversight and monitors the activities of the executive bodies: the CEO (Chairman of the Management Board), President and the Management Board.

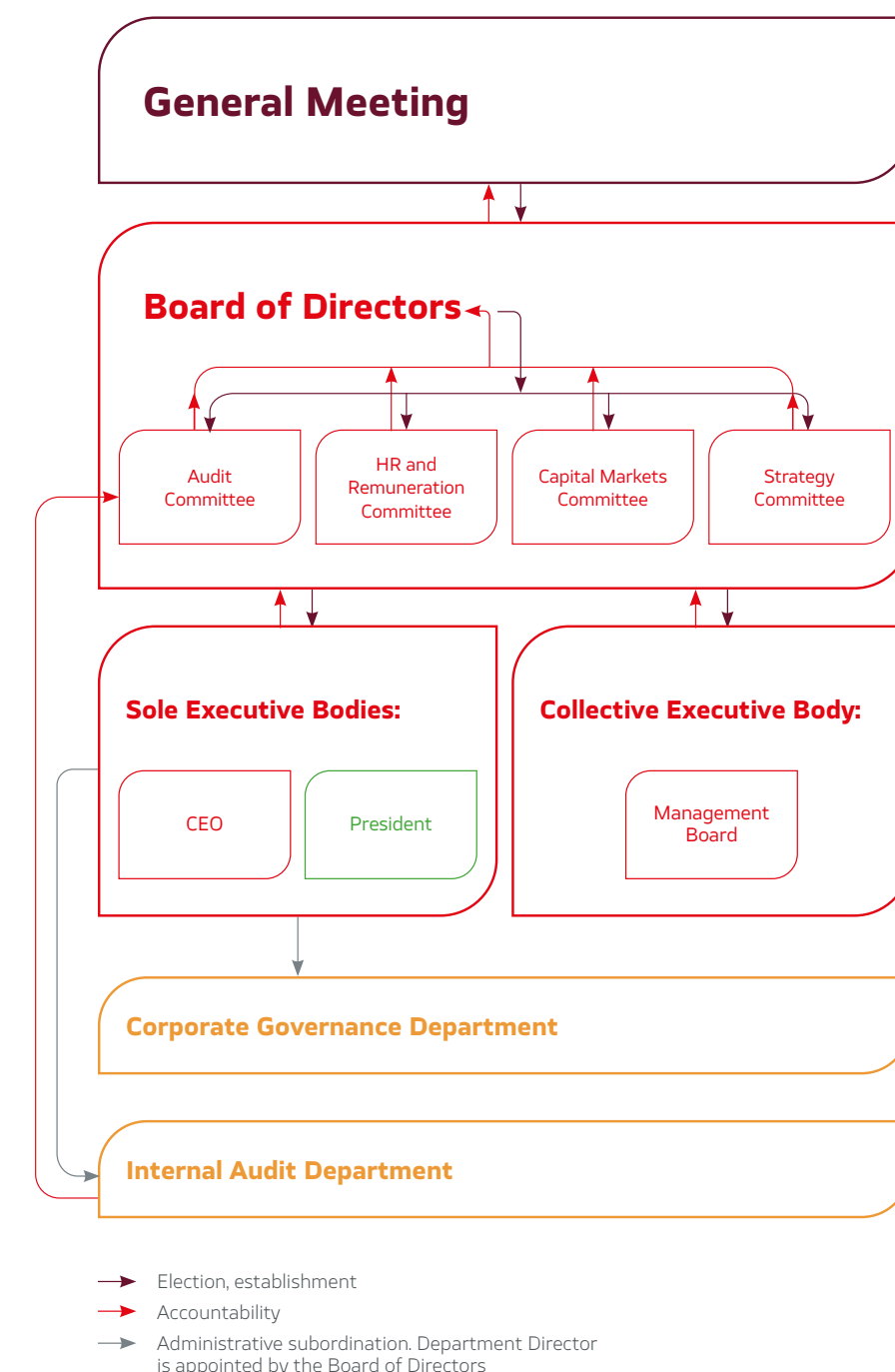
The executive bodies handle the day-to-day management of the Company and perform tasks assigned by the shareholders and the Board of Directors.

There are four committees under the Board of Directors:

- the Audit Committee
- the HR and Remuneration Committee
- the Strategy Committee
- the Capital Markets Committee.

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

The Corporate Governance Department performs the functions of the Corporate Secretary and ensures effective day-to-day interaction with shareholders, coordination of the Company's actions to protect the rights and interests of shareholders, as well as provide support for the effective work of the Board of Directors.




¹ Is not a member of the Management Board of PJSC Magnit.

Regulations

Magnit maintains its corporate governance framework in line with the following regulations:

- Russian laws
- relevant United Kingdom laws
- relevant European Union laws
- Moscow Exchange listing rules
- London Stock Exchange listing rules
- Corporate Governance Code recommended by the Bank of Russia¹.













Magnit is consistently improving the level of its compliance with the Corporate Governance Code and systematically benchmarks its compliance against other public companies.




 For a detailed Report on complying with the principles and recommendations of the Corporate Governance Code see [Appendix 1](#) (p. 167).

The Company's activities are governed by its Articles of Association approved in a new edition by the extraordinary General Meeting of Shareholders of PJSC Magnit held on 24 December 2020 and internal regulations², including:

Document	Effective date
Regulations on the Committees of the Board of Directors	17.07.2019
Code of PJSC Magnit On Terms and Conditions of Transactions with Financial Instruments	25.06.2019
Regulations on the Board of Directors	05.12.2018 (with amendments as of 30.05.2019)
Regulations on the Sole Executive Bodies (President and CEO)	30.05.2019
Regulations on the Collective Executive Body (Management Board)	25.12.2020
Code of Business Ethics	21.03.2019
Regulations on Internal Audit	31.10.2018
Regulations on the General Shareholders Meeting	21.06.2018
List of Insider Information	26.02.2018
Regulations on the Corporate Governance Department	27.05.2016
Regulations on the Dividend Policy	27.05.2016
Internal Control and Risk Management Policy	12.12.2019
Anti-Bribery and Corruption Policy	25.02.2014
Regulations on the Information Policy	06.09.2012
Anti-alcohol and Anti-drug Policy	01.01.2020
Safe Use of Vehicles Policy	01.01.2020
Fire Safety Policy	01.01.2020
Occupational Safety Policy	01.01.2020
Environmental protection and occupational health and safety policy	01.01.2020

Compliance with the principles and recommendations of the Corporate Governance Code³

Corporate governance principles	Number of principles recommended by the Code	2017			2018			2019			2020		
													
Shareholder rights and equal conditions for shareholders to exercise their rights	13	9	2	2	9	2	2	8	2	3	8	2	3
Board of Directors	36	31	3	2	33	1	2	33	1	2	33	1	2
Corporate Secretary	2	2	0	0	2	0	0	2	0	0	2	0	0
Remuneration system for members of the Board of Directors and senior Company executives	10	7	2	1	7	3	0	8	2	0	8	2	0
Risk Management and Internal Control System	6	6	0	0	6	0	0	6	0	0	6	0	0
Corporate disclosure	7	4	3	0	4	3	0	4	3	0	4	3	0
Significant corporate actions	5	3	2	0	3	2	0	3	2	0	3	2	0
TOTAL GRADE	79	62	12	5	64	11	4	64	10	5	64	10	5
	—	78%			81%			81%			81%		

-  Complied with
-  Partially complied with
-  Not complied with

¹ For Report on complying with the principles and recommendations of the Corporate Governance Code see [Appendix 1](#) (p. 167).

² For more details, see the website of the Company <https://www.magnit.com/en/corporate-governance/corporate-documents/>.

³ Statistics provided are based on a report on compliance with the principles and recommendations of the CGC, prepared on the basis of Recommendation Letter No. IN-06-52/8 from the Bank of Russia, dated 17 February 2016.


Corporate Governance

Framework Development

PJSC Magnit continues to steadily develop its corporate governance system accordingly with the best practices. By improving its corporate governance system PJSC Magnit aims to reassure its shareholders and investors that the Company scrupulously implements its strategy and management decisions.

In 2020, the Company further improved its corporate governance system. The main changes and innovations are listed below.

- An independent consultant was hired to conduct an external assessment of the work of the Board of Directors
- The Sustainable Development Strategy was adopted, which outlined the goals of sustainable development, as well as a number of other provisions in the field of sustainable development
- Sustainability Steering Committee headed by the President and CEO of PJSC Magnit has been established. It prepares recommendations on strategic improvements the long-term sustainability of the business. The committee's recommendations serve as the basis for updating the Sustainable Development Strategy
- The Annual General Meeting of Shareholders in June 2020 made adjustments to the Articles of Association to update it in relation to the amended legislation on joint stock companies and securities market. An extraordinary general meeting of shareholders made a decision to approve the Articles of Association in a new edition, taking into account all previously adopted amendments
- Development of information policy and interaction with investors and shareholders continued
- A new website <https://www.magnit.com/en/> with a user-friendly interface and navigation was launched
- The composition of the Management Board and the Board of Directors has been strengthened
- The first Magnit Sustainability Report was released
- Procedures have been standardised in relation to identifying transactions carried out by companies of the Magnit Group, which require consent to their execution in accordance with the requirements of the law and / or the constituent documents of such companies
- The practice of liability insurance of members of the Board of Directors was continued
- A number of policies developed earlier have been approved.

 For more information about policies, please see [Regulations](#), on page [130](#).

In 2021, the Company plans to:

- continue to work on bringing the Company's Information Policy in line with the recommendations of the Corporate Governance Code (CGC) of the Russian Federation
- continue to increase the number of implemented recommendations of the CGC
- consider the possibility and take the necessary measures to implement the recommendations of the UK CGC.

General Meeting

of Shareholders

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

The key capabilities of the General Meeting of Shareholders include:

- the approval of internal documents regulating the activities of the Company's bodies
- the election of the Board of Directors
- the distribution of profits, including dividend payments
- approval of major and related party transactions
- the approval of the Annual Report and accounting statements.

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.

Shareholders of PJSC Magnit held two General Meetings in 2020: one annual General Meeting (AGM) and one extraordinary General Meeting (EGM).

General Meeting resolutions

GM ¹	Quorum, %	Key resolutions
AGM, 04 June 2020	75.03	<ul style="list-style-type: none">— Approval of annual report and annual financial report for year 2019— Approval of the distribution of profit (including the payment (declaration) of dividends) based on the 2019 results— Payment of remuneration and compensation of expenses— Election of members of the Board of Directors— Amendments to the Articles of Association of PJSC Magnit.
EGM, 24 December 2020	69.47	<ul style="list-style-type: none">— Payment of dividends on PJSC Magnit shares following the results for the first 9 months of 2020— Approval of the restated Articles of Association of PJSC Magnit— Approval of the restated Regulations on collegial executive body (Management Board) of PJSC Magnit.

¹ <https://www.magnit.com/en/shareholders-and-investors/shareholders-meeting/>.

Board of Directors

Board of Directors Responsibilities

The Board of Directors of PJSC Magnit manages the activities of the Company, defines strategic goals and implements effective management practices and also elects 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.

Introduction and training of members of the Board of Directors

When newly elected, members of the Magnit Board of Directors undergo an introduction programme, which includes:

- 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 systems, the distribution of responsibilities between the Company's executive bodies, and the work of the Board of Directors
- familiarisation 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.

The external assessment has shown a high level of efficiency, thoroughness, involvement, commitment and openness of the members of the Board of Directors and its committees. The balance of the composition of the Board of Directors in terms of independence, relevant experience and complementary skills, as well as the ability to make informed decisions for the benefit of the Company, was noted.

Composition of the Board of Directors

The Board of Directors includes nine members, of whom five are independent.

The current composition of the Board of Directors is based on the principle of diversity and inclusiveness and has all the necessary competencies for the effective management of the Company. Members of the Board of Directors all have impeccable professional and personal reputations.

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

The Board of Directors' activities in 2020

In the reporting year, the Board of Directors held 14 meetings and considered 88 issues. The average attendance at meetings of the Board of Directors was 100%. The key issues related to changes in the corporate governance system, the convening and holding of the General Meeting of Shareholders, the approval of the O04P exchange-traded bonds programme and the securities prospectus and the implementation of the long-term incentive programme.

Performance evaluation of the Board of Directors

The Company adheres to the principle of constant improvement of the Board of Directors work. One of the key tools for implementing this principle is to regularly assess the activities of the Board of Directors.

The HR and Remuneration Committee of the Board of Directors conducts a performance evaluation of the Board of Directors on annual basis since 2016. In accordance with the recommendations of the Corporate Governance Code of the Bank of Russia and best foreign practices, the Company also conducts an independent assessment of the activities of the Board of Directors.

In 2020 it was decided to hire an independent independent consultant to conduct an external assessment of the work of the Board of Directors.

External assessment of the Board of Directors

As part of the external assessment, the following components of the activities of the Board of Directors were analyzed:

- the structure, composition and independence of the Board of Directors and its committees
- the organization of work of the Board of Directors and its committees
- the effectiveness of the Board of Directors and its committees
- the role and performance of the Board Chairman
- the overall performance, involvement and contribution as well as skills and competencies of each director.

An independent assessment of the activities of the Board of Directors included analysis of the internal documents, survey and individual interviews with the Board of Directors members. Also, interviews with the Company's top management were conducted. The activities of the Board of Directors were also analyzed for compliance with the provisions of the following key methodological documents and standards, including the Corporate Governance Code of the Bank of Russia, the UK Corporate Governance Code and the OECD¹ Principles of corporate governance.

According to the results of the assessment by an independent consultant, a high level of efficiency and thoroughness of the Board of Directors of the Company was noted, as well as very high level of involvement, commitment and openness of the Board of Directors and its committees.

The balance of the composition of the Board of Directors in terms of independence, the availability of the necessary competencies, experience and skills was separately noted. In terms of independence and representation of foreign directors, the Company is well ahead of most Russian large companies and is in line with international corporate governance standards. The current composition of the Board of Directors fully meets the needs of the Company and contributes to making informed decisions.

The degree of implementation of key functions of the Board of Directors was assessed by an independent consultant as high. The Board of Directors of the Company considers a wide range of issues and ensures effective strategic management of the Company.

In order to further improve the work processes of the Board of Directors of the Company, based on the internal assessment results, a list of key areas for development was formed. The identified areas for development will form the basis of the plan to improve the efficiency of the Board of Directors for 2021.

Internal assessment of the Board of Directors

In 2020 the HR and Remuneration Committee of the Board of Directors conducted a performance evaluation of the current Board of Directors.

The Committee evaluated:

- The work of the Board of Directors, including:
 - the suitability of the structure of the Board of Directors for the functions it performs
 - the qualitative composition of the Board of Directors
 - the internal dynamics (working process) of the Board of Directors,
 - the performance of the Company's Secretary
 - the performance of the Board of Directors in executing its key responsibilities.
- The performance of the Chairman of the Board of Directors, including:
 - the overall management of the Board of Directors
 - the development the Board of Directors as the governance body of the Company
 - the management of the meetings of the Board of Directors
 - interacting with the Company's Management Board
 - engaging with the Company's shareholders and investors

- their personal qualities
- their management skills
- their communication skills
- their quality of execution in the role of the Chairman of the Board of Directors
- their quality of execution in the role of a member of the Board of Directors
- their professional skills.
- The work of the Committees of the Board of Directors, including:
 - the suitability of the structure of the Committees to the functions they perform
 - the qualitative composition of the Committee
 - the internal dynamics (processes) of the Committee
 - the performance of the Committee in its main functions
 - holding of meetings of the Committee.
- The conformity of independent members of the Board of Directors, to the independent director criteria as defined by the Regulations on the PJSC Magnit Board of Directors, the Corporate Governance Code, and the Listing Rules of PJSC Moscow Exchange.

Motivation system of the Board of Directors members was analysed.

Results of the self-assessment confirmed that the performance of the Board of Directors is at a level corresponding to the specifics and scope of the Company, the needs of the Company and the interests of shareholders.

¹ The Organisation for Economic Co-operation and Development is an intergovernmental economic organisation with 37 member countries describing themselves as committed to democracy and the market economy, providing a platform to compare policy experiences, seek answers to common problems, identify good practices and coordinate domestic and international policies of its members.

Committees

of the Board of Directors

In 2020, four Committees of the Board of Directors were in operation:

- the Audit Committee
- the HR and Remuneration Committee
- the Strategy Committee
- the Capital Markets Committee.

The Committees are formed from among the 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 Chairmen of the Committees), the following aspects must be taken into consideration: the education and professional training of the candidates, their work experience within the Committee's area of activity, their document handling skills, as well as other necessary proficiencies and experience. All Committees are chaired by Independent Non-Executive Directors.

The Regulations on the Committees of the Board of Directors of PJSC Magnit regulates the composition and activities of the Committees.

In 2020, committees held 15 in-person meetings. Attendance at meetings by committee members was 100%.

The work of the committees goes beyond formal meetings, due to the fact that the Company is at the stage of large-scale transformation. The Committees constantly interact with management in order to increase the efficiency of cooperation between the executive bodies of the Company and the Board of Directors.

Committee members (as of 31.12.2020)

Name	Status	Audit Committee	Strategy Committee	HR and Remuneration Committee	Capital Markets Committee
Gregor Mowat	Independent Non-Executive Director	Chairman			
Walter Koch	Independent Non-Executive Director		Chairman		
Evgeny Kuznetsov	Independent Non-Executive Director				Chairman
James Simmons	Independent Non-Executive Director			Chairman	
Charles Ryan	Independent Non-Executive Director				

● Participation in committees

Audit Committee

Key functions:

- verification and monitoring of financial statements' integrity
- verification of the internal control and risk management systems
- monitoring the effectiveness of internal audits
- monitoring relations with the external auditor.

In 2020, Audit Committee held 4 formal meetings. All members of the Committee attended 100% of the meetings.

Key results:

In the reporting year, the Audit Committee reviewed the results of evaluating the effectiveness of the internal control and risk management system of PJSC Magnit and its subsidiaries and the results of the work of the structural unit conducting the internal audit for the reporting year (including reviewing and recommending to the Board of Directors for approval an action plan of such structural unit for 2021).

Strategy Committee

Key functions:

- strategic and investment planning
- identification of priority focus areas
- endorsement and verification of the business plan and budget.

In 2020, the Strategy Committee of the Board of Directors held 3 formal meetings. All Committee members attended 100% of the meetings.

Key results:

In the reporting year, the Strategy Committee reviewed the plan for opening stores and the budget for 2020, actively interacted with management team in the development of the Corporate Strategy of the Company for 2021-2025.

HR and Remuneration Committee

Key functions:

- development and monitoring of the remuneration policy (including long- and short-term incentives)
- endorsement and monitoring of senior management appointments (CEO-1/CEO-2 levels)
- development of the talent management strategy
- annual evaluation of the Board of Directors and management performance.

In 2020, HR and Remuneration Committee held 5 formal meetings. All members of the Committee attended 100% of the meetings.

Key results:

In the reporting year, the HR and Remuneration Committee assessed the compliance of the members of the Board of Directors in terms of the availability of the necessary experience, knowledge, compliance with the independence criteria, as well as the assessment of candidates for the Management Board of the Company, examined issues related to short-term and long-term remuneration programmes for management and key employees of the Company.

Capital Markets Committee

Key functions:

- development and strengthening of corporate governance systems
- preparation, development and introduction of IR strategies
- evaluation of the dividend policy and recommendations for the Board of Directors.

In 2020, Capital Markets Committee held 3 formal meetings. All members of the Committee attended 100% of the meetings.

Key results:

In the reporting year, the Capital Markets Committee reviewed issues related to corporate governance practices, including external assessment of the activities of the Board of Directors, compliance with the UK Corporate Governance Code; addressed issues on communication strategies and ESG initiatives.

Corporate secretary

The Corporate Secretary function and responsibilities are performed by the Corporate Governance Department.

The main objective of the Department is to maintain effective communication with the shareholders, coordinate the Company's actions to protect rights and interests of the shareholders and ensure the effective operation of the Board of Directors as well as the compliance by the Company of the current legislation that guarantees the implementation of the rights and legitimate interests of shareholders.

This approach is consistent with the recommendations of the Russian Corporate Governance Code and the Moscow Exchange Listing Rules.

The Department is headed by the Corporate Governance Director, who is an officer of the Company.

The main functions of the Corporate Governance Department are:

- to participate in improving the Company's corporate governance system and practices
- to participate in preparing for, and conducting, 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 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 oversee their implementation. On 27 May 2016 (minutes of 30.05.2016), PJSC Magnit's Board of Directors approved a resolution related to internal rules governing its Corporate Governance Department and appointed Ekaterina Kister to the position of Corporate Governance Director.

Ekaterina Kister

Corporate Governance Director

Born: 18 April 1978

Education :

2000 – Kuban State University (Faculty of Law).

Experience

Joined PJSC Magnit in 2016, from JSC Tander where she worked for 11 years.

Participatory interest in the Company's charter capital

(percentage of the Company's ordinary shares): 0.000981% .

Executive Bodies

Management Board

The Management Board is the collective executive body of PJSC Magnit, which, along with sole executive bodies, manages its day-to-day activities. The Management Board reports to the General Meeting of Shareholders and the Board of Directors.

The Management Board acts in accordance with the Russian legislation, the Articles of Association, and the Management Board Regulations.

The Management Board is headed by the Chairman of the Management Board, who is also the CEO of the Company.

The President of the Company is a member of the Management Board by virtue of his position and, in case of absence of the Chief Executive Officer, shall hold the position of Chairman of the Management Board.

The Board of Directors determines and annually reviews the composition of the Management Board. Board members can be elected an unlimited number of times.

As of the end of 2020, the Management Board comprised of 9 people.

Further details regarding the powers of the Management Board can be found in the Company's Articles of Association and Management Board Regulations.

For biographies of Board members, see [Composition of the Management Board](#) on p. 122.

Sole Executive Bodies: President and CEO

The current activities of the Company are managed by two sole executive bodies of the Company: the President and the CEO, acting independently of each other.

If only the President or only the CEO remains in the Company, then all the functions of the sole executive bodies are transferred to him.

There is a high degree of overlap between the roles of President and CEO. The President is responsible for the development and implementation of the Company's strategy.

Sole executive bodies are elected separately by the Board of Directors for a three-year term and can be elected an unlimited number of times.

On 31 May 2019, the Board of Directors appointed Jan Dunning as the President of the Company, and on 26 June 2019 also as the CEO.

For biography of Jan Dunning, see [Composition of the Management Board](#) on p. 122.

Internal control

and risk management system

The internal control and risk management system of Magnit is responsible for:

- ensuring the efficiency and productivity of the Company's activities and the safeguarding of its assets
- complying with the requirements of all applicable legislation and in-house policies and procedures, including when engaging in business operations and maintaining accounting records

- ensuring the reliability and timeliness of financial and other reporting.

The key regulating document is the Regulations on internal control and risk management, updated in 2019 (decision of the Board of Directors as of 12 December 2019, minutes of 13.12.2019).

The internal control and risk management system consists of three levels, each playing its part in the process of elaborating, approving and applying corresponding measures and evaluating the system.

Structure of the Company's internal control bodies:



The internal control system is based on the principles of the COSO concept recommended by the Corporate Governance Code. According to the COSO¹ model, the Company creates a controlled environment including the risk assessment system, implements control procedures and assesses their efficiency and monitors changes in the organisational structure and business processes.

The communication between the participants in the internal control and risk management system, as well as the decision making in corresponding areas, is implemented via the Company's information systems. The relevant information is defined, recorded and transmitted in such form to enable employees to perform their functional duties. Meanwhile, the Company adheres to the principle of the separation of duties.

The internal control and risk management system adapts to changes in the Company's goals and internal and external factors, as well as business processes. The risk management process is carried out on an ongoing basis and is cyclical due to the continuous nature of risk management decision making.

For further detail on risk management and principal risks, see [Risk management](#) on p. 94.

Internal Audit Department

The Internal Audit Department is designed to support the Board of Directors and the executive bodies in enhancing management efficiency and improving financial and operational performance.

The main tasks of the Department include conducting systematic and consistent analyses, assessing risk management and internal control systems, as well as the corporate governance system.

The Internal Audit Department is administratively subordinate to the CEO and functionally subordinate to the Board of Directors.

The key document regulating the activity of the Internal Audit Department is the Regulations on Internal Audit at PJSC Magnit where the main responsibilities of the department are defined as:

- supporting the Company's business units and employees, management, the Audit Committee of the Board of Directors and the Board of Directors by conducting audits, analyses and evaluations, providing consultations and drafting recommendations to improve the Company's internal control and risk management system and its business processes;
- assistance in the timely identification and analysis of risks that affect the reliability of financial and management information, the safeguarding of assets, compliance with legislation and in-house policies and procedures, the execution of financial and business plans and the efficient use of resources.

Responsibilities of the Internal Audit Department include:

- preparing the annual internal audit plan based on defined risk appetite and conducting corresponding internal audits
- tracking major changes within the Company in order to update the audit plan, identify risk areas and inform management
- preparing and conducting training on internal control to maintain the qualifications of department employees
- providing support for the development of the internal control and risk management system
- providing a monitoring system to implement the recommendations of the Internal Audit Department and monitor their execution
- assisting in the selection of external auditors and consultants as well as preparing and presenting the results for review by the Company's management and Audit Committee
- interacting with external auditors and consultants on matters concerning internal audit, the provision of audit-related services, and consulting services
- preparing monthly, quarterly and annual reports on the results of the Department's work and regularly submitting them to the Company's management, Board of Directors, and Audit Committee to discuss results and recommendations. Timely notifying the Audit Committee and Board of Directors about any disputes or difficulties that arise in the process of implementing the internal audit plan

¹ The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a voluntary private organization established in the United States and is dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence.

Internal control
and risk management system (continued)

— preparing information for the Company’s management, Audit Committee, or Board of Directors based on special requests (including unscheduled performance evaluations and recommendations on ways to improve individual components of the internal control and risk management system).

The Director of the Internal Audit Department regularly reports to the Chairman of the Audit Committee and takes part in meetings of the Audit Committee. At the Committee meetings, results of internal audits are presented and the efficiency of internal audits is discussed.

In 2020, 19 internal audits were conducted, resulted in 142 measures. Of these, 25 measures were executed in 2020, the rest will be implemented from the beginning of 2021.

In 2020, training sessions were organized for employees of the Internal Audit Department to improve their qualifications up to the modern requirements in internal audit. In 2021, it is planned to expand the employee training programme through the opportunity to study online.

Efficiency assessment

In 2020, an efficiency assessment of the internal audit and risk management system of PJSC Magnit and its affiliates was conducted by the Internal Audit Department.

The assessment was completed through an analysis of all aspects of internal control and risk management processes: the internal (control) environment, objective setting, event identification, risk assessment, risk response, means of control, information, communications, and monitoring.

The assessment highlighted the parameters of internal control and risk management process and identified the current state of the parameters, describing the effectiveness of organisation and functioning of the internal control and risk management system.

According to the assessment, the current level of organisation and functioning of the internal control and risk management system was deemed well-established and in line with the Company’s needs.

External audit

To verify and confirm the reliability of its annual financial statements, each year the Company hires a professional audit organisation that has no connection to the Company or its shareholders through ownership 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, a member of Self-regulatory Organization of Auditors Association “the Commonwealth” (AAC SRO) (Ernst & young LLC is included in the control copy of the register of auditors and audit organizations with the registration number ORNZ 12006020327) and one of the global leaders in the provision of professional services, was approved at the AGM held on 4 June 2020 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.

To select an auditor for the consolidated financial statements of the Issuer and its subsidiaries prepared in accordance with international financial reporting standards, we requested for proposals in 2019. Four audit firms of the Big Four participated in the request: Deloitte, PWC, KPMG, E&Y.

Based on the evaluation of the proposals, it was recommended to approve E&Y (Ernst & Young LLC) as the auditor of the consolidated statements of PJSC Magnit and its subsidiaries prepared in accordance with international financial reporting standards.

The auditor audited the 2020 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 accuracy of the consolidated financial statements for 2020, prepared in accordance with IFRS.

The auditor’s remuneration paid by the Company in 2020 amounted to RUB 66.0 million (excluding VAT). In addition, in the reported year the auditor provided non-audit services to the Group, including: consulting on the development of a shared service center, consulting on the development of a Logistics development strategy and other services. The auditor’s remuneration paid in 2020 for non-audit services was RUB 85.2 mln (excluding VAT).

RAS Audit

The audit firm Faber Lex Limited Liability Company (TIN 7709383532), location: Krasnodar, 144/2 Krasnykh Partizan Street, was approved at the AGM held on 4 June 2020 as the auditor of the Company’s accounting (financial) statements for 2020 prepared in accordance with Russian Accounting Standards.

AF Faber Lex LLC is a member of the Self-Regulatory Organisation of Auditors Association SODRUZHESTVO (SRO AAS) №441 dated 20 March 2020 with the main registration number entry (ORNZ) 12006114232.

In order to select an auditor for the audit of the accounting (financial) statements of the Issuer prepared in accordance with Russian accounting and reporting standards, we requested for proposals in 2019.

Eight audit companies participated in the request: Deloitte, PWC, KPMG, E&Y, Faber Lex LLC, Gorislavtsev, FinExpertiza, Intercom.

Based on the evaluation of the proposals, it was recommended to approve Faber Lex LLC as the auditor of the Issuer’s accounting (financial) statements prepared in accordance with Russian accounting and reporting standards.

Based on the results of the PJSC Magnit audit, the auditor expressed an opinion on the true and fair reflection of the Company’s financial position in the accounting (financial) statements in all its material aspects.

The auditor’s remuneration paid by the Group in the reported period amounted to RUB 7.7 mln (excluding VAT), including the payments directly from PJSC Magnit in the amount of RUB 301.6 thousand (excluding VAT).

AF Faber Lex LLC did not provide non-audit services to the Group during the reporting year.

Ethics

and Anti-corruption

PJSC Magnit adheres to the principle of zero tolerance of corruption.

The anti-corruption system regulates the management of regulatory and reputation risks, protects the Company from corruption, and develops corporate culture and corporate governance practices.

The Company has an Anti-Corruption Policy¹, and Code of Conduct². All Company employees are required to comply with ethical standards of conduct and corporate standards, including:

- to not give or extort bribes
- maintain a positive reputation of the Company
- avoid conflicts of interest.

The Company monitors compliance with anti-corruption procedures. All violations of employees are analysed, and result in disciplinary measures up to and including dismissal.

In 2020, corporate anti-corruption measures were updated to completely integrate into the remote work process of employees:

- The procedure for the annual declaration by managers of all levels of information on the presence of a conflict of interest has been converted into electronic form
- Training courses on anti-corruption and compliance with business ethics have been updated, a number of video materials have been introduced for employees who are training remotely. The quality of teaching is monitored

- The process of receiving and responding to complaints about violations in the Company has been expanded and adapted to the remote work mode.

During 2020, the topic of inadmissibility of violations in the field of combating corruption was actively covered in internal communications.

The high level of transparency of PJSC Magnit is recognised by external experts. Accordingly, to the latest available research by Transparency International³, the Company achieved the first place in transparency ranking of the largest Russian companies by revenue.

The Company has created a safe environment that allows internal and external parties to report any corruption or ethical violations, as well as to propose measures to improve control mechanisms. The Company has a hotline on ethics and anti-corruption. All messages, including anonymous, are considered. Information on utilising this hotline is located in the “Ethics and Anti-Corruption” section on the Company's website⁴.

The Company guarantees that persons who provide information via the indicated communication channels shall be provided anonymity and protection against any form of pressure (including dismissal, prosecution or other types of discrimination).

In 2020, 3,156 appeals were received through this communication channel, of which 10% (or 311) are targeted. Of these, 29% (or 89) contained information about significant violations. Each case is checked by the Department of Economic Security. Based on the audit results, management decisions are made while reporting on the results of inspections is provided to the management of the Company.

The work of the ethics and anti-corruption hotline is regularly reviewed by the Audit Committee and the Board of Directors.

Confidential Hotline for Employees, Buyers, Contractors and Partners:

- phone number: 8 (800) 600-04-77
- email: ethics@magnit.ru
- the form for submitting appeals via the corporate website <https://magnit.com/en/anti-corruption/>.

Information

disclosure

PJSC Magnit believes that information transparency is the basis for interaction with stakeholders.

The Company has adopted an Information Policy. The main principles of disclosure are regularity, efficiency, reliability and balance.

The Company's information policy is implemented by executive bodies. The Capital Market Committee of the Board of Directors gives recommendations on improving disclosure. In 2020, the Company launched a renewed corporate website <https://www.magnit.com/en/>.

The following documents are published on the official website of the Company:

- Articles of Association and internal documents
- information on the structure of equity
- information on governing bodies

- information about the auditor and registrar
- other required information.

The Company maintains an IR website with a regularly updated investor calendar, dividend history for the past five years, key performance indicators, contact details, and other useful information.

In addition, the Company discloses information via the Interfax disclosure server <https://www.e-disclosure.ru/portal/company.aspx?id=7671>.

PJSC Magnit regularly holds presentations and meetings between members of the executive bodies and other key managers of the Company and investors and analysts. The traditional practice of visiting stores, enterprises and agricultural complexes in 2020 was suspended due to the safety reasons during the COVID-19 pandemic.

Magnit prepared virtual tours across all its store formats and organized virtual events for the investment community where Company's COO Ruslan Ismailov and members of IR team discussed recent developments. The number of virtual events has been significantly expanded.

Representatives of the Company participated in numerous investor conferences held virtually due to travel restrictions and held conference and video calls with analysts and investors.

Another important disclosure channel is the annual report. In 2020 the Company significantly increased the level of disclosure in the Annual Report and released first Sustainability Report in accordance with GRI Standards.

Types of messages disclosed in 2020

Type of disclosure	Quantity
Related to the bond issue / circulation	33
On agendas and resolutions by the issuer's governance bodies	36
On reporting disclosures of various types (quarterly reports, lists of affiliated persons, annual reports, consolidated financial statements, annual accounting statements)	16
Disposal of the issuer's own shares by its subordinate organisation	4
On the change in the share of members of management bodies and other persons in the issuer's authorized capital	26
On yields accrued and paid on issue-grade securities	20
Performance	7
Other	30
TOTAL	172

¹ Approved by the Board of Directors 25.02.2014 (notes of 25.02.2014), <http://ir.magnit.com/en/information-disclosure/charter-and-internal-documents/>.

² Approved by the Board of Directors 21.03.2019 (notes of 24.03.2019), <http://ir.magnit.com/en/information-disclosure/charter-and-internal-documents/>.

³ transparency.org.ru/special/trac2018russia/docs/report-ru.pdf.

⁴ <https://www.magnit.com/en/anti-corruption/>.

Remuneration Report

Director's Remuneration

In 2020, the directors' remuneration policy was regulated by the Regulations on the Board of Directors of PJSC Magnit¹.

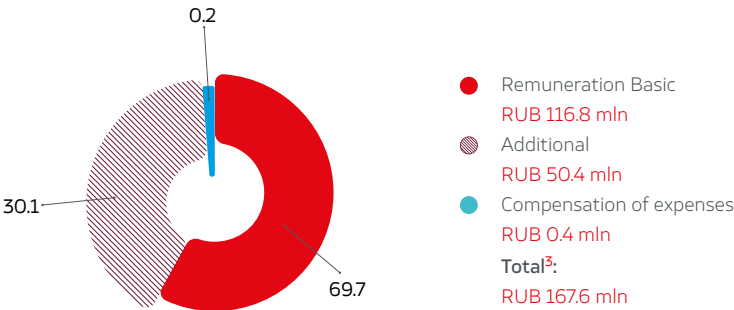
According to these Regulations, Directors are entitled to the following types of remuneration for the membership in the Board of Directors within the reported period:

- base remuneration
- additional remuneration.

The structure of the annual remuneration of members of the Board of Directors

Position	Basic	Additional	Compensation of expenses related to
Chairman of the Board of Directors	150,000 Euro	200,000 Euro	— travel to and from the venue of the meeting of the Board of Directors, as well as being at the venue of the meeting
Chairman of the Audit Committee	150,000 Euro		
Chairman of the Strategy Committee	150,000 Euro	100,000 Euro	
Chairman of the Capital Markets Committee	150,000 Euro		— participation in the meeting of the Board of Directors by telephone, use of a teleconference system, sending a written opinion, absentee voting
Chairman of the HR and Remuneration Committee	150,000 Euro	75,000 Euro	— execution of the functions of a member of the Board of Directors
			— recruitment of consultants and experts and obtaining opinions on the activities of the Board of Directors.
			Up to EUR 50,000 ² per year

Remuneration paid to members of the Board of Directors in 2020, %



¹ Regulations were approved at EGM on 5 December 2018 (minutes of 6 December 2018), with amendments approved at the AGM 30 May 2019 (minutes of 31 May 2019).

² The issue of compensation for expenses more than EUR 50,000 is considered at the General Meeting of Shareholders.

³ Does not include remuneration for the performance of the functions of the sole executive body paid to a person that performed the function of the sole executive body in the specified period and at the same time was a member of the Board of Directors.

Remuneration of the sole executive bodies (CEO and President)

In 2020, the policy of remuneration and compensation of expenses of the CEO and the President was regulated by the Regulations on Sole Executive Bodies (the President and the Chief Executive Officer)⁴.

In accordance with these Regulations, the amount of remuneration of the CEO and the President is set in their employment contracts.

In accordance with employment contract, Jan Dunning received signing bonus and the fixed rights for 164,710 of ordinary shares to be transferred to him within the period of three years, subject to continued work in the Company. Share-based payment is deferred. The first transfer of 82,355 shares happened on 21 May 2019. The second transfer of 41,177 shares happened 23 March 2020. The third and last transfer of 41,178 shares happened 8 February 2021.

Remuneration of members of the Management Board

In 2020, the policy of remuneration and compensation of expenses to members of the Management Board was regulated by two regulations:

- Regulations on the collective executive body (Management Board), approved by the AGM on 30 May 2019 (minutes of 31 May 2019)
- Regulations on the collective executive body (Management Board), approved by the EGM on 24 December 2020 (minutes of 25 December 2020).

The structure of the annual remuneration of the CEO and the President

Base salary	Bonus	LTI	Compensation of expenses
According to the terms of the employment contract	The motivation programme sets the targeted value of the bonus equal to the annual salary. The actual amount of the bonus depends on the fulfillment of the Corporate KPIs and bonus conditions approved by the Board of Directors for the reporting year.	The remuneration amount depends on the Group's financial results, time worked during the programme, as well as the responsibility of the employee for achieving the result.	— VHI policy for an employee and family members (partner and children) — accident insurance — business trips — communication — transport — rental housing.

The structure of the annual remuneration of members of the Management Board

PJSC Magnit		JSC Tander	
Base salary	Bonus	LTI	Compensation of expenses
According to the terms of the employment contract	The motivation programme sets the targeted value of the bonus equal to the annual salary. The actual amount of the bonus depends on the fulfillment of the Corporate KPIs and bonus conditions approved by the Board of Directors for the reporting year.	The remuneration amount depends on the Group's financial results, time worked during the programme, as well as the responsibility of the employee for achieving the result.	— VHI policy for an employee and family members (partner and children) — accident insurance — business trips — communication — transport — rental housing.

Remuneration of members of the Management Board, total, RUB mln

Remuneration	All companies of the Group	PJSC Magnit
Base Salary	317.3	12.4
Bonus	276.6	22.8
Compensation of expences	12.4	—
Total⁵	606.3	35.2

Remuneration paid to members of the collective executive body in 2020: RUB 606.3 mln.

⁴ Regulations were approved at the AGM on 30.05.2019 (minutes of 31.05.2019).

⁵ Does not include remuneration for the performance of the functions of the sole executive body paid to a person that performed the function of the sole executive body in the specified period and at the same time was a member of the Management Board.

Remuneration Report (continued)

KPI

In addition to the short-term incentive scheme, the Group has a long-term remuneration programme. Programme objectives are:

- LFL sales growth (%)
- EBITDA (RUB bln)
- Working capital (RUB bln).

In case of failure to meet at least one of the three triggers, the bonuses are not paid.

If the trigger indicators are met, the following corporate indicators are set for all members of the Management Board in the company:

- growth in LFL sales (%)
- EBITDA (RUB bln).

For members of the Management Board who are responsible for key business functions, annual bonuses are entirely dependent on the achievement of corporate KPIs. Individual KPIs have also been set for a number of Management Board members, and corporate KPIs are applied as a multiplier to the individual portion of the bonus.

The Board of Directors approves the list of corporate and individual KPIs as well as their influence on bonus payments for CEO -1 level.

LTI

In addition to the short-term incentive scheme, the Group has a long-term remuneration programme. Programme objectives are:

- motivation of participants to increase the share price of the Company
- motivation of participants for the cumulative growth of the consolidated EBITDA of the Group in the amount of at least 10% CAGR relative to 2018
- retention of highly skilled employees
- increasing the attractiveness of the Company for new employees.

The programme started in 2018 and will last 7 years. The first allocation of shares occurred in 2019 according to the results of 2018, the last allocation will occur in 2025 according to the results of 2022.

In 2020, the Board of Directors changed the total number of programme participants.

In total, the programme will use no more than 3,510,638 shares of the Company.

An agreement is concluded with each programme participant, under the conditions of which the maximum number of shares that a participant can receive is indicated.

Participants have right to receive shares of the option-based part if the market share price exceeds RUB 4,700 per share. Payments are made if the target EBITDA is reached and the terms of the contract are met.

The amount of payments to programme participants depends on the period worked during the execution of programme.

In 2020, the Company transferred 73,597 shares to 23 employees as part of the long-term remuneration programme, including 27,242 shares transferred to 6 employees who left the Company in 2020.

	2020
Number of employees who received shares	23
including employees who left the Company	6
Shares transferred	73,597
including to employees who left the Company	27,242

Programme structure

	Share-based part	Option-based part
Order	Shares are provided in annual tranches based on the results of the year, each representing 20% of the total shareholder part. Shares are delivered in three stages within the period of 7 years: 1/3 at the end of the first year + 1/3 the following year + 1/3 in two years.	Shares provided within the option-based part are based on the results of each year and takes place in three stages within the period of 7 years: 1/3 based on the results of the first year + 1/3 the following year + 1/3 in two years.
Conditions	—	Growth of the share price of the Company on the option price exercise date.
	The Group's consolidated EBITDA growth of 10% CAGR compared with the EBITDA for the year ended 31.12.2018. The programme participant continues to work in the Group on the exercise date of the option.	

LTI remuneration in 2020

Name	Position	Shares
Management Board		
Jan Dunning	Chairman of the Management Board, President, CEO	23,404
Maria Dei	Supply Chain Director	1,648
Elena Zhavoronkova	Chief Legal Officer	1,648
Other employees of the Company		19,655
Employees who left the Company in 2020		27,242

Shareholder and investor engagement

Authorised and issued share capital

As of 31 December 2020, the authorised capital of Public Joint-Stock Company Magnit amounted to RUB1,019,113.55 and consisted of 101,911,355 ordinary with a par value of RUB0.01 each.

In addition to its outstanding shares, the Company had the right to place 98,938,645 ordinary registered shares with a par value of RUB0.01 each (declared shares).

As of 31 December 2020, 34 entities were registered in the share register, including 30 individuals, one nominal holder (National Settlement Depository) and three other legal entities.

As of 31 December 2020, PJSC Magnit does not hold any treasury shares. As of 31 December 2020, JSC Tander, owned by the Company owned 4,246,498 voting shares in PJSC Magnit, which amounts to 4.166855 % of the total number of ordinary registered shares, which were acquired in 2018-2019 in order to implement its LTI programme.

As at the 31 December 2020, no other organisations controlled by the Company owned voting shares in PJSC Magnit.

The Company has both an ordinary share listing on the Moscow Exchange (MOEX) and a GDR listing on the London Stock Exchange (LSE). In accordance with the listing rules of PJSC Moscow Exchange as of 31 December 2020, the share of the free-float in the Company's shares was 71,00%². As at the end of 2020, Magnit's market capitalisation was RUB 578.3 bln³ on MOEX and USD8,584.4 mln⁴ on the LSE.

Structure of share capital as at the end of 2020⁵

Title	Number of registered entities	Share of authorised capital, %
Legal entities	5	97.50
Including nominal holders	1	97.50
Individuals	30	2.50
Total	35	100

Significant changes in the share capital structure in 2020⁶

Date of change	Title	Ownership type	Before the date of the change the share		After the date of the change the share	
			Number of shares	Share of authorized capital, %	Number of shares	Share of authorised capital, %
19.08.2020	Dodge & Cox	Indirect	5,144,652	5.048 %	5,094,652	4.9991 %

¹ State registration number: 1-01-60525-P of 4.03.2004.

² The share of the free-float is determined based on an analysis of the share capital ownership structure, and by deducting the number of shares which are not in the free-float from the total number of the Issuer's shares.

³ Capitalisation in RUB is calculated using the following formula: number of shares outstanding * share price as at the end of 2020.

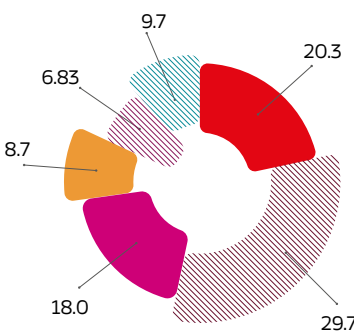
⁴ Capitalisation in USD is calculated using the following formula: 5* number of shares outstanding * GDR price as at the end of 2020.

⁵ Shareholding structure is provided in accordance with the list of shareholders registered in the register of PJSC Magnit shareholders as of 31.12.2020.

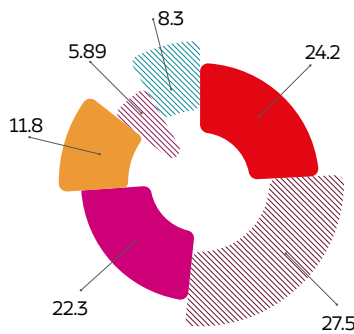
⁶ Information is provided based on notifications received by PJSC Magnit from the indicated entities in accordance with the article 30 of the Federal Law No. 39-FZ "On the securities market" as of 22.04.1996.

Breakdown by geography of free-float, %

End 2019, %



End 2020, %



- Russian Federation
- United States of America and Canada
- United Kingdom
- European union
- Asia
- Rest of the World

Source: Shareholder Identification report

Authorised and issued share capital history

Date	Changes
24 April 2006	The Company completed the process of an initial public offering in the Russian Trading System (RTS) and on the Moscow Interbank Currency Exchange (MICEX).
13 February 2008	PJSC Magnit announced a secondary share placement. 11,300,000 shares were offered for additional issuance, including shares placed with pre-emptive rights for existing shareholders as well as previously placed shares owned by the selling shareholder.
22 April 2008	Global Depositary Receipts (GDR) commenced conditional trading on the London Stock Exchange (LSE). Later in April Magnit's GDRs were included in the official list of the UK Listing Authority.
2 September 2009.	PJSC Magnit announced another public offering of 11,154,918 ordinary shares. The offering price was USD 65 per ordinary share and USD 13 per GDR.
6 October 2011	The Board of Directors of PJSC Magnit decided to increase the authorised capital by issuing 10,813,516 additional shares. The public placement was completed on 15 December 2011.
15 November 2017	The Board of Directors of PJSC Magnit decided to increase the authorised capital by issuing 7,350,000 additional shares. The public placement was completed on 15 January 2018.
21 August 2018	The Board of Directors of PJSC Magnit approved the share buyback programme (taking into account the changes approved by the Board on the 4th of October, 2018). The programme was launched on 5 September 2018 and completed on 1 March 2019. Total number of shares bought out under buyback programme was 5,897,776, including: — 3,510,638 shares were allotted to LTI programme — Since the start of the LTI programme 178,855 shares were distributed to participants.
28 November 2018	JSC Tander concluded an agreement with Serengate Advisors Limited under which the latter received 1,513,601 shares, which amounted to 1.485213% of the total number of shares of PJSC Magnit, as payment for the transaction related to the acquisition of SIA Group.

Shareholder and investor engagement (continued)

Listing of shares on the Moscow Exchange

The Company's shares have been traded on the Moscow Exchange (MGNT) since 24 April 2006 (ticker MGNT) and are included in the first quotation list.

Magnit shares are included in the following indices on Moscow Exchange: Stock Subindex, MOEX Index, MOEX Index 10, Blue Chip Index, Broad Market Index, Consumer Sector Index / Consumer Sector Index, RTS Consumer Sector Index, RTS Index, and Broad Market RTS Index.

GDR listing

The Company's global depositary receipts (GDR) have traded on the main market of the London Stock Exchange (MGNT) since 22 April 2008. One share represents five depositary receipts. As of 31 December 2019, 27.78% of the Company's total shares were listed on the London Stock Exchange in the form of GDRs.

Share price and trading volume on the Moscow Exchange in Q1-Q4 2020

Period	Share price, RUB			Volume, RUB mln ¹			Market cap. of period, RUB bln
	Min.	Max.	As at end of period	Period total	Daily average	Daily median	
Q1	2,337.0	3,855.0	3,191.0	172,083.5	2,868.1	2,466.9	325.2
Q2	3,140.0	4,180.5	4,084.5	120,198.7	1,970.5	1,895.5	416.3
Q3	4,202.0	5,080.0	4,937.5	132,595.7	2,039.9	2,034.3	503.2
Q4	4,659.0	5,685.5	5,674.5	125,060.5	1,954.1	1,739.8	578.3

GDR price and trading volume on LSE

Period	GDR price, USD ²			Volume, USD mln ³			Market cap. of period, USD mln
	Min.	Max.	As at end of period	Period total	Daily average	Daily median	
Q1	6.47	14.26	8.96	391.51	6.12	5.58	4,373.06
Q2	8.71	13.56	12.99	282.22	4.63	4.11	6,335.87
Q3	12.97	15.71	14.92	352.05	5.42	4.46	7,277.23
Q4	13.75	18.24	17.60	321.40	5.02	4.52	8,584.40

GDR quotes on London Stock Exchange in 2020



¹ Calculations are based on daily trading volumes in currency, which are calculated as the daily trading volume in securities multiplied by the closing price.
² Maximum and minimum are calculated based on quotes at the end of the trading session.
³ Calculations are based on daily trading volumes in currency, which are calculated as the daily trading volume in securities multiplied by the closing price.

Indices

Magnit is included in a broad number of different indices. More information is provided by the following key ETFs; groups:

Analyst coverage and consensus forecast

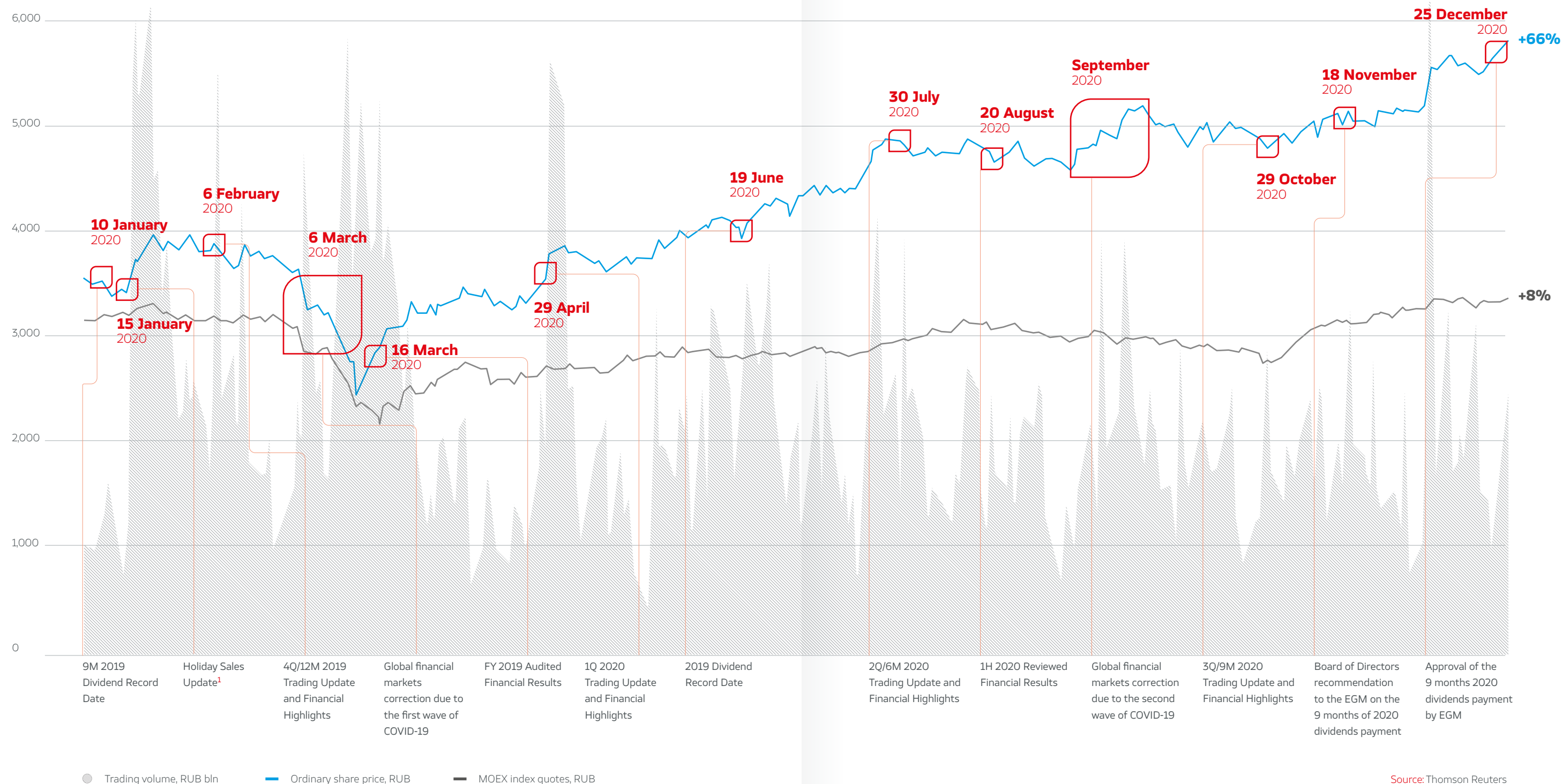
As of the 31 December 2020, 18 investment banks produced equity research on Magnit compared to 16 in 2019. New banks initiated coverage, namely Morgan Stanley and VTB Capital.

Index name	Site addresses of key groups of ETF funds
VanEck	https://www.vaneck.com/
SPDR	https://www.ssgafunds.com/
Vanguard	https://investor.vanguard.com/
MSCI	https://www.msci.com/
iShares	https://www.ishares.com/
Columbia Threadneedle Investments	https://www.columbiathreadneedleus.com/
MOEX and RTS	https://www.moex.com/ru/index/IMOEX

Bank	Analyst	Phone	E-mail
Alfa Bank	Evgeniy Kipnis	+7 495 795 37 13	ekipnis@alfabank.ru
Aton	Victor Dima	+7 495 213 03 44	victor.dima@aton.ru
Bank of America Merrill Lynch	Ilya Ogorodnikov	+7 495 662 60 73	ilya.ogorodnikov@bofa.com
BCS	Dmitry Skryabin	+7 495 213 15 09	ds Kryabin@bcsgm.com
Citi	Alastair Birkby	+44 20 7986 51 80	alastair.birkby@citi.com
Gazprombank	Marat Ibragimov	+7 495 980 41 87	marat.ibragimov@gazprombank.ru
Goldman Sachs	Yulia Gerasimova	+7 495 645 40 13	maxim.nekrasov@gs.com
HSBC	Bulent Yurdagul	+90 212 376 46 12	bulentyurdagul@hsbc.com.tr
JP Morgan	Elena Jouronova	+7 495 967 38 88	elenajouronova@jpmorgan.com
Morgan Stanley	Henrik Herbst	+44 20 76 77 1309	henrik.herbst@morganstanley.com
Raiffeisen	Egor Makeev	+7 495 221 98 51	egor.makeev@raiffeisen.ru
Renaissance Capital	Kirill Panarin	+7 499 956 42 16	kpanarin@rencap.com
Sberbank CIB	Mikhail Krasnoperov	+7 495 933 98 38	mikhail.krasnoperov@sberbank-cib.ru
SOVA Capital	Artur Galimov	+7 495 223 23 23	arturgalimov@sovacapital.com
UBS	Ulyana Lenvalskaya	+7 495 648 20 93	ulyana.lenvalskaya@ubs.com
VTB Capital	Maria Kolbina	+7 495 663 46 48	mariakolbina@vtbcapital.com
Wood & Company	Lukasz Wachelko	+48 22 222 15 60	lukasz.wachelko@wood.com

Shareholder and investor engagement (continued)

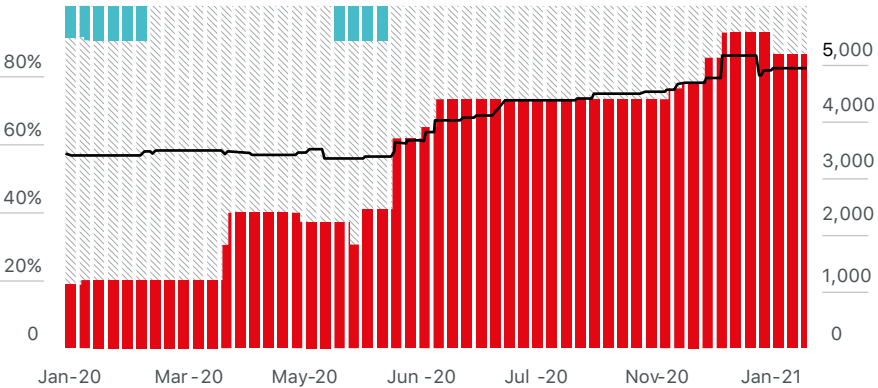
Share trading on the Moscow Exchange in 2020



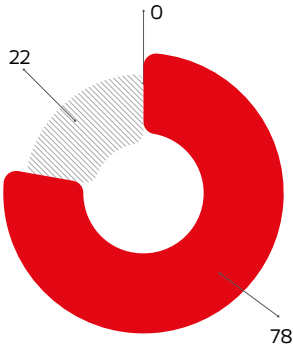
¹ Magnit defines "pre-New Year sales" as sales made across all the Chain's formats from December 17 to December 31.

Shareholder and investor engagement (continued)

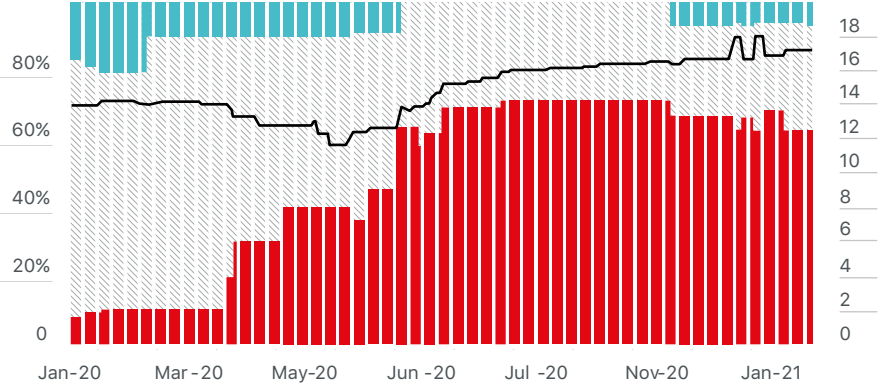
Analyst recommendations and average target price local shares



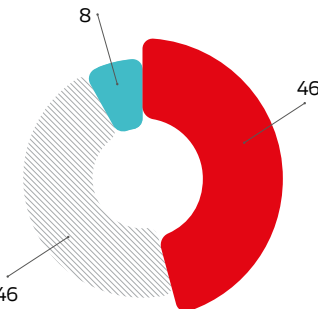
Company collected recommendations and consensus on local shares for 2020, %



Analyst recommendations and average target price GDRs



Company collected recommendations and consensus on GDRs for 2020, %



● Buy ● Hold ● Sell — Average target price, USD

Source: Thomson Reuters, Company collected recommendations and consensus for 2020

Consensus for key financial indicators for 2020, RUB bln (IAS 17)

	Sales and growth	Gross profit and margin	EBITDA and margin	Net Income and margin
Consensus average	1,553.5	366.2	109.7	37.1
	13.5%	23.6%	7.1%	2.4%
Reported	1,553.8	365.7	109.4	37.8
	13.5%	23.5%	7.0%	2.4%

Source: Company collected recommendations and consensus for 2020 based on open sources

Consensus for key financial indicators for 2020, RUB bln (IFRS 16)

	Sales and growth	Gross profit and margin	EBITDA and margin	Net Income and margin
Consensus average	1,553.5	366.2	179.9	29.7
	13.5%	23.6%	11.6%	1.9%
Reported	1,553.8	365.8	178.2	33.0
	13.5%	23.5%	11.5%	2.1%

Source: Company collected recommendations and consensus for 2020 based on open sources

Bonds

The Company uses bonded loans as a form of debt financing for its business, which are primarily raised by issuing exchange bonds.

In 2019, PJSC Magnit had five outstanding issues of exchange bonds (BO-003R-01, BO-003R-02, BO-003R-03, BO-003R-04, BO-003R-05, BO-002R-01, BO-002R-02, BO-002R-03) with a total nominal volume of RUB 90 bln (the volume in circulation at the end of the reporting year was RUB 80 bln, bond issue BO-003R-03 was repaid on 24.12.2020).

Within the framework of the XVIII Russian Bond Congress in St. Petersburg, the placement of bonds of the Magnit retail chain, series BO-002R-01 for RUB10 bln was recognised as the best public offering by a retailer.

Parameters of the BO-003R-01, BO-003R-02, BO-003R-03, BO-003R-04, BO-003R-05, BO-002R-01, BO-002R-02, BO-002R-03 series bonded loans of PJSC Magnit

Issue identification number and assignment date	4B02-01-60525-P-003P, 1.02.2019	4B02-02-60525-P-003P, 21.02.2019	4B02-03-60525-P-003P, 25.06.2019	4B02-04-60525-P-003P, 29.10.2019	4B02-05-60525-P-003P, 23.12.2019	4B02-01-60525-P-002P, 04.03.2020	4B02-02-60525-P-002P, 27.04.2020	4B02-03-60525-P-002P, 19.05.2020
Volume of issue, RUB	10,000,000,000 (ten bln)	10,000,000,000 (ten bln)	10,000,000,000 (ten bln)	10,000,000,000 (ten bln)	10,000,000,000 (ten bln)	15,000,000,000 (fifteen bln)	10,000,000,000 (ten bln)	15,000,000,000 (fifteen bln)
Number of securities	10,000,000 (ten mln)	10,000,000 (ten mln)	10,000,000 (ten mln)	10,000,000 (ten mln)	10,000,000 (ten mln)	15,000,000 (fifteen mln)	10,000,000 (ten mln)	15,000,000 (fifteen mln)
Nominal value of each security, RUB	1,000 (one thousand)	1,000 (one thousand)	1,000 (one thousand)	1,000 (one thousand)	1,000 (one thousand)	1,000 (one thousand)	1,000 (one thousand)	1,000 (one thousand)
Placement price	100% of nominal value	100% of nominal value	100% of nominal value	100% of nominal value	100% of nominal value	100% of nominal value	100% of nominal value	100% of nominal value
Placement date	05.02.2019	26.02.2019	27.06.2019	05.11.2019	26.12.2019	05.03.2020	29.04.2020	22.05.2020

Shareholder and investor engagement (continued)

Parameters of the BO-003R-01, BO-003R-02, BO-003R-03, BO-003R-04, BO-003R-05, BO-002R-01, BO-002R-02, BO-002R-03 series bonded loans of PJSC Magnit (continued)

Issue identification number and assignment date	4B02-01-60525-P-003P, 1.02.2019	4B02-02-60525-P-003P, 21.02.2019	4B02-03-60525-P-003P, 25.06.2019	4B02-04-60525-P-003P, 29.10.2019	4B02-05-60525-P-003P, 23.12.2019	4B02-01-60525-P-002P, 04.03.2020	4B02-02-60525-P-002P, 27.04.2020	4B02-03-60525-P-002P, 19.05.2020
Placement method	public placement	public placement	public placement	public placement	public placement	public placement	public placement	public placement
Maturity date	1092nd day from the placement date	728th day from the placement date	546th day from the placement date	910th day from the placement date	1092th day from the placement date	1092th day from the placement date	1092th day from the placement date	1092th day from the placement date
Number of coupons	6	4	3	5	6	6	6	6
ISIN code	RU000A1002U4	RU000A1004G9	RU000A100H02	RU000A100ZS3	RU000A1018X4	RU000A101HJ8	RU000A101MC3	RU000A101PJ1
Coupon rate	8.70%	8.50 %	7.85%	6.90%	6.60%	6.20%	6.70%	5.90%

Credit ratings

In 2020, leading rating agencies assigned credit ratings to the Company. S&P affirmed its rating of the Company and ACRA assigned a new rating.

Dividends

The core principles underpinning Magnit's dividend policy are as follows:

- **Transparency:** identifying and disclosing information about the duties and responsibilities of the parties involved in carrying out the dividend policy, including the procedure and conditions for deciding on the payment and amount of dividends
- **Timeliness:** establishing time limits for dividend payments
- **Justifiability:** the decision on the payment and the amount of dividends may only be made if the Company achieves a positive financial result taking into account development plans and investment programmes

As of 31.12.2020

Rating agency	Rating recipient	Rating	Forecast	Date of rating (issued / reaffirmed)
Standard&Poors	Issuer at international scale	BB	Stable	15.12.2020
	Issuer at national scale	AA (RU)	Stable	22.09.2020
ACRA	Bonds BO-003R-03, BO-003R-02 National scale	AA (RU)	—	22.09.2020
	BO-003R-04	AA (RU)	—	22.09.2020
	BO-003R-05	AA (RU)	—	22.09.2020
	BO-002R-01	AA (RU)	—	22.09.2020
	BO-002R-02	AA (RU)	—	22.09.2020
	BO-002R-03	AA (RU)	—	22.09.2020

Regulations on the dividend policy of PJSC Magnit (new edition) of 27.05.2016: <https://www.magnit.com/en/shareholders-and-investors/dividends/>.

- **Fairness:** equal rights for shareholders in acquiring information about the decisions on payment, size and procedures for payment of dividends
- **Consistency:** strict implementation of the procedures and principles of the dividend policy
- **Progression:** continuous improvement of the dividend policy in line with the evolution of the Company's strategic goals
- **Sustainability:** commitment to ensuring a stable level of dividend payments.

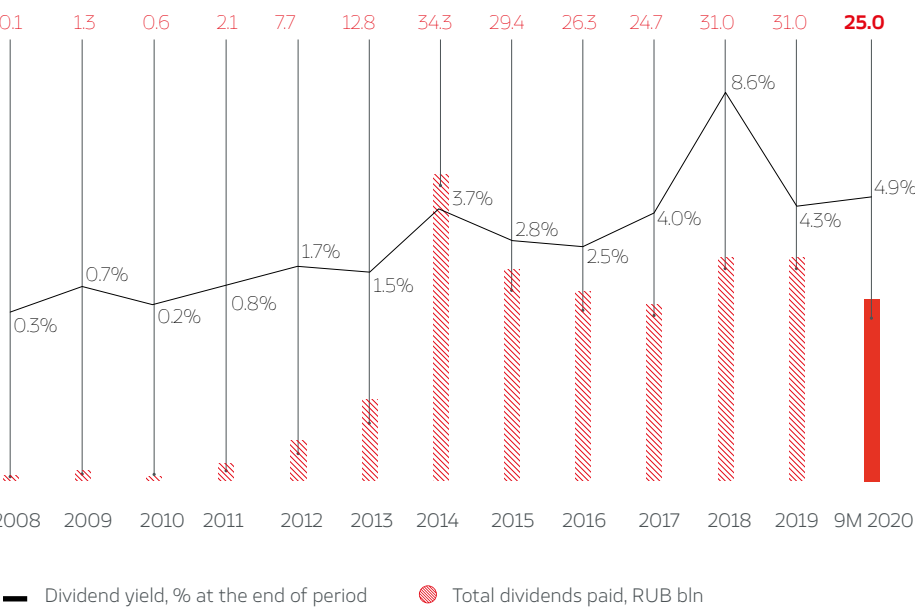
A dividend payment in the amount of RUB 157.00 on the ordinary registered shares of PJSC Magnit in relation to the 2019 financial results was approved by the Annual General Meeting of Shareholders on 4 June 2020 (minutes dated 5 June 2020). Earlier, on 24 December 2019, the Extraordinary General Meeting of Shareholders approved a decision to pay dividends based on the results of 9 months 2019 in the amount of RUB 147.19 on the ordinary registered shares (minutes dated 25 December 2019). Thus, the total payment of dividends for 2019 amounted to RUB 31 bln or RUB 304.19 per ordinary share, which corresponds to the amount paid for 2018.

The Extraordinary General Meeting of Shareholders on 24 December 2020 (minutes dated 25 December 2020) approved the payment of an interim dividend in the amount of RUB 245.31 on the ordinary registered shares of PJSC Magnit which corresponds to the total payment of RUB 25 bln, based on the results of the first nine months of 2020.

Report on announced and paid dividends for 2008-2020

Reported period	Total dividends announced, RUB bln	Total dividends paid, RUB	Dividend per share, RUB
2008	0.1	0.1	1.46
2009	1.3	1.3	14.82
2010	0.6	0.6	6.57
2011	2.1	2.1	22.93
2012	7.7	7.7	81.35
2013	12.8	12.8	135.21
2014	34.3	34.3	362.94
2015	29.4	29.4	310.47
2016	26.3	26.3	278.13
2017	24.7	24.7	251.01
2018	31.0	31.0	304.16
2019	31.0	31.0	304.19
9M 2020	25.0	25.0	245.31

Paid dividends for 2008-2020



Shareholder and investor engagement (continued)

Shareholders and investor engagement

Magnit pays due attention to the attractiveness of its investment proposition and constantly seeks to increase the level of openness and transparency of its activities. The Company is interested in attracting new and retaining existing investors and maintains a constant dialogue with the investment community, while treating all the investment categories with special attention.

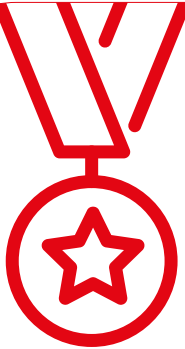
The Company uses various formats of interaction, including distributing press releases announcing operational and financial results; organising conference calls, face-to-face meetings; conducting road shows and site visits; and participating in investment conferences and other events.

4 conference calls and 6 publications regarding the financial and operational results were conducted by senior management in 2019. In 2020 the IR-team has also participated in the number of virtual conferences, including with the retail investors.

Magnit was the first in the industry to introduce a new way to showcase chain stores in a virtual format. Virtual 3D tours, accompanied by Ruslan Ismailov, Deputy CEO - Retail Chain Director, allowed investors from all over the world to appreciate the qualitative changes in convenience stores, superstores and drogeries¹.

The Company's management held 9 roadshows and together with the IR team participated in 120 different investors' events covering 218 institutional investors in 2020. Five conferences for individual investors were also held.

- The list of the most frequently asked questions by investors and analysts is presented below:
- LFL indicators and their dynamics
 - Sales density indicators
 - The impact of the pandemic on the consumer, industry, Company
 - Macro-economic environment, inflation and promo activity
 - CVP implementation including assortment, redesign programme, loyalty programme, organisational model, etc
 - Status of business transformation
 - Changes in strategy
 - Digital transformation, including ERP implementation and e-commerce initiatives
 - Innovations and efficiency gains
 - Magnit actions in online sales
 - Expansion plans and M&A opportunities



Magnit has won a silver medal for the Best Corporate Website (International) category at the Corporate and Financial Awards 2020.

First

Albert Avetikov, Chief Investor Relations Officer of Magnit, was ranked first in TOP Investor Relations Professionals by Association of Managers and Kommersant.

Investor relations activities

114

Number of institutional investor events where Magnit participated

218

Number of institutional investors covered

7

Financial and operational results releases

6

Number of virtual store tours

5

Number of individual investor events

6

Number of ESG events

4

Conference calls

9

Roadshows

- Sustainability of margins
- Working capital improvements
- Management KPIs and incentive schemes
- Management team changes.

During the reporting year, the Company continued to improve its investor relations approach:

- the Company launched a new corporate website for investors, expanded the content, improved the structure and systematized the information presented
- due to pandemic restrictions, the Company found a way to conduct virtual stores visits with management presentations. In 2020, six virtual store tours for institutional investors and analysts were successfully completed, including tours to the convenience store, superstore and Magnit Cosmetic

- created a corporate video about the activities of the Company and its achievements
- the practice of holding conferences with investors and analysts in a virtual mode was introduced
- 5 conferences with individual investors were held
- 6 ESG-dedicated events conducted
- expanded content and improved structure of press releases, presentations and documents with reference information
- the practice of maintaining an up-to-date consensus forecast of key financial indicators based on analysts' forecasts has been introduced.

¹ Please, see <https://www.magnit.com/en/about-company/store-formats/>.

Investor

calendar 2020-2021

2020	12-13 May 2020 Morgan Stanley Virtual EEMEA Conference 2020 Virtual	23-24 June 2020 RenCap Virtual Moscow Conference Virtual	20 August 2020 1H 2020 Reviewed Financial Results Krasnodar
	6 February 2020 4Q / 12M 2019 Trading Update and Financial Highlights and Conference Call Krasnodar	13 May 2020 BAML Retail and Consumer Virtual Trip Virtual	30 June 2020 Virtual Investor Group Meeting 'Retail with Purpose. Magnit Sustainability Strategy Virtual
	16 March 2020 FY 2019 Audited Financial Results Krasnodar	27 May 2020 Aton Consumer Day Virtual	2-3 September 2020 Raiffeisen Virtual Emerging Europe Days Virtual
	21 April 2020 Wood's EM Consumer Conference Virtual	8-9 July 2020 J.P. Morgan Virtual CEEMEA & LATAM Asia Forum Virtual	3 September 2020 HSBC Investor Trip to Russia Virtual
	29 April 2020 1Q 2020 Trading Update and Financial Highlights and Conference Call Krasnodar	28 May 2020 HSBC Virtual EEMEA Food Retail Conference Virtual	10-17 September 2020 Citi's Virtual GEMS Conference Virtual
	2-3 June 2020 BAML Emerging Markets Debt & Equity Conference 2020 Virtual	14 July 2020 UBS CEEMEA Virtual Retail Trip Virtual	13-14 October 2020 HSBC Virtual Global EM Forum Virtual
		30 July 2020 2Q / 6M 2020 Trading Update and Financial Highlights and Conference Call Krasnodar	

29 October 2020 3Q / 9M 2020 Trading Update and Financial Highlights and Conference Call Krasnodar	18-19 November 2020 VTB Capital "Russia Calling" Conference Virtual	2021	
30 October 2020 Auerbach Grayson-SOVA Capital Emerging and Frontier Markets Conference Virtual	1-3 December 2020 UBS Global Emerging Markets One-on-One Virtual Conference Virtual		4 February 2021 4Q / 12M 2019 Trading Update and Financial Highlights and Conference Call Krasnodar
2-3 November 2020 Moscow Virtual Exchange Forum Virtual	2 December 2020 Wood's EM Consumer Conference Virtual		15 March 2021 FY 2019 Audited Financial Results Krasnodar
9-10 November 2020 GS 12th Annual CEEMEA 1-1 Conference Virtual	3 December 2020 Gazprombank Russian Retail Day Virtual		29 April 2021 1Q 2020 Trading Update and Financial Highlights and Conference Call Krasnodar
11 November 2020 RenCap 25th EM&FM Conference Virtual			