

# Committees

## of the Board of Directors

The Board of Directors has four Committees:

- Audit Committee
- HR and Remuneration Committee
- Strategy Committee
- 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.

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

In 2021, the Committees held 17 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 the management in order to increase the efficiency of cooperation between the executive bodies of the Company and the Board of Directors.

The following independent directors sit on the following Committees:

| Name                 | Status                    | Audit Committee | HR & Remuneration Committee | Strategy Committee | Capital Markets Committee |
|----------------------|---------------------------|-----------------|-----------------------------|--------------------|---------------------------|
| Charles Ryan         | Independent Non-Executive |                 |                             |                    | Chairman                  |
| Naira Adamyan        | Independent Non-Executive |                 |                             |                    |                           |
| Pierre-Laurent Wetli | Independent Non-Executive |                 |                             |                    |                           |
| Walter Koch          | Independent Non-Executive |                 |                             | Chairman           |                           |
| Vsevolod Rozanov     | Independent Non-Executive | Chairman        |                             |                    |                           |
| James Simmons        | Independent Non-Executive |                 | Chairman                    |                    |                           |

 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.

**Members:** Vsevolod Rozanov (Chairman), James Simmons, Pierre-Laurent Wetli

Key results:

- Evaluation of the auditor's report on the financial statements of PJSC Magnit for 2021, compiled in accordance with Russian accounting standards
- Evaluation of the auditor's report on the consolidated financial statements of PJSC Magnit and its subsidiaries for 2021 prepared in accordance with Federal Law No. 208-FZ dated 27 July 2010 "On Consolidated Financial Statements"
- Preliminary consideration of the report on transactions concluded by PJSC Magnit in 2021, in which there was an interest
- Development of proposals for the appointment of an external auditor, payment for its services and terms of engagement

- Approval of the remuneration of the head of the internal audit unit based on the results of work in 2021
- Consideration of the internal audit conclusion based on the results of assessing the reliability and effectiveness of the risk management, control and corporate governance processes of PJSC Magnit in 2021
- Development of proposals for the head of the structural unit that carries out internal audit
- Development of proposals for payment for the services of an external auditor
- Approval of the Audit Fees Policy
- Consideration of the report on evaluation of the efficiency of the internal control and risk management system of PJSC Magnit and its subsidiaries for 2021
- Consideration of the results of performance of the structural unit that carries out internal audit in 2021
- Approval of the plan of operation of the structural unit that carries out internal audit in 2022
- Approval of the budget of the structural unit that carries out internal audit in 2022.

### 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.

**Members:** James Simmons (Chairman), Naira Adamyan, Walter Koch

Key results:

- Evaluation of candidates to the Board of Directors in terms of having the necessary experience, knowledge, business reputation, absence of a conflict of interest, and compliance of candidates for members of the Board of Directors with the independence criteria determined by the current Regulations on the Board of Directors of the Company (including the Listing Rules of the Moscow Exchange)
- Preliminary approval of remuneration for members of the Management Board of PJSC Magnit and other key employees of the group of companies of PJSC Magnit based on the results of work in 2021
- Change in the total number of participants in the Long-term Remuneration Programme for Key Employees of JSC Tander and PJSC Magnit and approval of the List of positions of employees of PJSC Magnit and JSC Tander that are covered by the Long-term Remuneration Programme for Key Employees of JSC Tander

# Committees of the Board of Directors

(continued)

- and PJSC Magnit, in a new edition.
- Inclusion of New Participants into the Long-term Remuneration Programme for Key Employees of JSC Tander and PJSC Magnit
- Approval of additional agreements to the Securities Purchase and Sale Agreements under the Long-term Remuneration Programme for key employees of JSC Tander and PJSC Magnit with individual Programme Participants
- Recommendations regarding the formation and composition of the collegial executive body (Management Board) of PJSC Magnit
- Development of proposals for the head of the structural unit that carries out the internal audit
- Recommendations regarding the approval of changes to the short-term incentive programme (STI) for the President and members of the Management Board of PJSC Magnit for 2021, as well as key performance indicators (KPI) for the President and members of the Management Board of PJSC Magnit
- Recommendations regarding the approval of key performance indicators for the head of the structural unit performing internal audit in 2021
- Recommendations regarding the approval of the List of positions of employees of PJSC Magnit and JSC Tander, which are subject to the Long-term remuneration programme for key employees of JSC Tander and PJSC Magnit, in a new edition
- Recommendations regarding the inclusion of New Participants in the Long-term Remuneration Programme for Key Employees of JSC Tander and PJSC Magnit
- Approval of changes to the short-term incentive programme (STI), as well as key performance indicators (KPIs) for individual members of the Management Board of PJSC Magnit for 2021.

## Strategy Committee

**Key functions:**

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

**Members:** Vsevolod Rozanov, James Simmons, Naira Adamyan, Pierre-Laurent Wetli, Walter Koch (Chairman)

**Key results:**

In the reporting year, the Strategy Committee reviewed the plan for opening stores and the budget for 2021, actively interacted with the management team on further development of the Corporate Strategy of the Company for 2021–2025 and oversaw its implementation.

## 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.

**Members:** Vsevolod Rozanov, Walter Koch, Charles Ryan (Chairman)

**Key results:**

- Consideration of the results of the evaluation of the work of the Board of Directors of PJSC Magnit
- Preliminary consideration of recommendations to the General Meeting of Shareholders of the Company on the distribution of profits and losses of the Company based on the results of the 2020 reporting year, including the dividend amount from the Company's shares, the procedure for its payment and the date on which the persons entitled to receive dividends are determined
- Formation of recommendations to the Board of Directors on amendments to the Articles of Association of PJSC Magnit and internal documents of PJSC Magnit
- Discussion of issues of priority areas of activities of PJSC Magnit.