

Notice: This document is a translation of the Regulations on the Board of Directors of PJSC "Magnit"; it is prepared for informational purposes only. The official version of the Regulations on Board of Directors was approved by the resolution of the annual general shareholders meeting of PJSC Magnit in Russian. For the Russian version of the Regulations on the Board of Directors, please visit the Company's official website at <https://www.magnit.com/ru/>.

APPROVED

by the annual General Shareholders Meeting

of PJSC Magnit June 10, 2021

Meeting Minutes w/o number, dated June 11, 2021

**REGULATIONS
ON THE BOARD OF DIRECTORS
OF PUBLIC JOINT STOCK COMPANY MAGNIT**

Krasnodar

2021

CONTENTS

1. GENERAL PROVISIONS	4
Article 1. Regulations on the Board of Directors	4
Article 2. Board of Directors	4
2. PURPOSE AND ROLE OF THE BOARD OF DIRECTORS	4
Article 3. Purpose and principles of the Board of Directors	4
Article 4. Role of the Board of Directors	4
3. COMPOSITION OF THE BOARD OF DIRECTORS	5
Article 5. Composition	5
Article 6. Independent directors	5
4. CHAIRMAN OF THE BOARD OF DIRECTORS	9
Article 7. Election of Chairman of the Board of Directors	9
Article 8. Functions of Chairman of the Board of Directors	9
5. SECRETARY OF THE BOARD OF DIRECTORS	9
Article 9. Election of Secretary of the Board of Directors	9
Article 10. Functions of Secretary of the Board of Directors	10
6. COMMITTEES OF THE BOARD OF DIRECTORS	10
Article 11. Establishment of committees	10
Article 12. Operation of committees	10
Article 13. Audit Committee	11
Article 14. HR and Remuneration Committee	11
Article 15. Strategy Committee	11
Article 16. Capital Markets Committee	12
7. RIGHTS AND OBLIGATIONS OF DIRECTORS. PROCEDURE FOR EXERCISING RIGHTS AND OBLIGATIONS	12
Article 17. Rights of a member of the Board of Directors	12
Article 18. Obligations of a member of the Board of Directors	13
Article 19. Procedure for exercising rights and obligations of the Board of Directors	14
Article 20. Obligations of the Company's sole executive bodies and members of the collective executive body to satisfy requests of the Board of Directors	14
8. CONVENING MEETINGS OF THE BOARD OF DIRECTORS	15
Article 21. Convening procedure	15
Article 22. Venue and time of meetings	15
Article 23. Notices of meetings	15
Article 24. Change in venue and time of meetings	16
Article 25. Requests to convene a meeting	16
Article 26. Refusal to convene a meeting	16
Article 27. Mandatory meetings	17

9. MEETINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS	17
Article 28. Meetings of the Board of Directors.....	17
Article 29. Resolutions of the Board of Directors.....	17
Article 30. Counting written opinions of non-attending members of the Board of Directors.....	18
Article 31. Effective date.	19
Article 32. Minutes of meetings of the Board of Directors	19
10. PASSING RESOLUTIONS BY ABSENTEE VOTING.....	20
Article 33. Absentee voting.....	20
Article 34. Voting ballots	20
Article 35. Effective date.	21
Article 35.1. Independent directors' questionnaires.	21
11. REMUNERATION AND REIMBURSEMENT OF EXPENSES OF THE BOARD OF DIRECTORS	21
Article 36. Remuneration and reimbursement of expenses.....	21
Article 37. Payment of remuneration	21
Article 38. Reimbursement of expenses	22
12. DIRECTORS' LIABILITY INSURANCE	23
Article 39. Directors' liability insurance	23
13. ACQUAINTANCE WITH THE COMPANY'S BUSINESS.....	23
Article 40. Procedure for getting acquainted with the Company's business	23
Article 41. Introduction of director's to the Company's management.....	23
Article 42. Provision of information (documents and materials) about the Company	23
14. FINAL PROVISIONS.....	24
Article 43. Validity	24
15. AMENDMENTS	25

1. GENERAL PROVISIONS

Article 1. Regulations on the Board of Directors

1. These regulations (the “Regulations”) have been drafted in accordance with the Russian Civil Code, the Federal Law on Joint Stock Companies, any other Russian laws and regulations, the Corporate Governance Code recommended by letter of the Bank of Russia No. 06-52/2463 dated 10 April 2014, the Articles of Association of Public Joint Stock Company Magnit (the “Company”) and the listing rules of Russian and foreign stock exchanges on which the Company's securities are listed, and shall govern the operation of the Company’s Board of Directors.

2. The Regulations set out the procedure for convening and holding meetings of the Board of Directors, the procedure for the passing of a resolution by the Board of Directors, the rights and duties of the members of the Board of Directors, and govern other matters related to the operation of the Board of Directors.

Article 2. Board of Directors

The Board of Directors is the collective governing body of the Company responsible for overall management of the Company, except for the matters reserved to the General Shareholders Meeting (the “General Shareholders Meeting”) in accordance with the federal laws and the Company’s Articles of Association. The Board of Directors shall also be responsible for the strategic management of the Company, risk management and internal control frameworks, oversight of the executive bodies of the Company, and other key functions.

2. PURPOSE AND ROLE OF THE BOARD OF DIRECTORS

Article 3. Purpose and principles of the Board of Directors

1. The purpose of the Board of Directors is to maximise profits and increase the Company’s assets, protect the rights and legitimate interests of the shareholders, continuously oversee the executive bodies, guarantee the completeness, reliability and objectivity of information disclosed about the Company.

2. To meet its purpose, the Board of Directors shall be guided by the following principles:

- decision-making shall be based on reliable information about the Company’s activities;
- shareholders’ rights to participate in the management of the Company and receive dividend payouts and information about the Company shall not be restricted;
- a balance of interests of various groups of shareholders shall be achieved with the Board of Directors making decisions that are as unbiased as possible and in the interests of all shareholders.

3. Any irremediable unclarity of the rules set out in the laws and other regulations shall be interpreted as expanding the rights and legitimate interests of shareholders.

Article 4. Role of the Board of Directors

To meet its purpose, the Board of Directors shall perform the following functions within its remit:

- ensure that resolutions of the General Shareholders Meeting are implemented;
- identify the goals, values, culture, strategy and priority focus areas for the Company activities; ensure their consistency;
- determine the Company's priority areas;
- assess the political, financial and other risks that affect the Company’s operations;
- approve the Company’s business plans and budgets;
- determine approaches to investment and participation in other entities;
- assess the performance of the Company and its bodies;

- determine conditions for dividend payments;
- determine the criteria for selecting members of the management team;
- develop HR framework, motivation and incentive schemes;
- develop systems and methods for employees motivation and encouragement; periodically review them, including for consistency with the Company culture;
- oversee the activities of the Company’s executive bodies;
- ensure that the Company complies with the effective laws;
- ensure compliance with the corporate governance principles.

3. COMPOSITION OF THE BOARD OF DIRECTORS

Article 5. Composition

1. The composition procedure is set out in the Company’s Articles of Association.
2. The Board of Directors shall consist of individuals only, whether the Company's shareholders or not.
3. The number of members of the Management Board shall not exceed one-fourth of the Board of Directors.
4. The Board of Directors shall include independent directors. Independent directors shall account for at least one-fifth of the Board of Directors. At least three (3) members of the Board of Directors shall be independent directors.

Article 6. Independent directors

1. An independent director is a person sufficiently independent in character to formulate his/her own position on matters reserved to the Board of Directors and able to make an unbiased judgement that is not affected by the Company's executive bodies, shareholder groups, or other stakeholders who has the required professional qualification and expertise.
2. The independent director (a candidate) shall be a person who is not:
 - related to the Company;
 - related to any of the Company's substantial shareholders;
 - related to any of the Company's substantial counterparties;
 - related to any of the Company's substantial competitors;
 - related to the government (Russian Federation or a constituent entity thereof) or municipality.
3. The independence of the members (candidates) of the Board of Directors shall be determined in accordance with the independence criteria set out in provisions 16.4—16.7 hereof.
4. Members (candidates) of the Board of Directors shall be recognised as **related to the Company** if they and/or their related parties:
 - 1) are, or have been over the past 3 years, members of executive bodies or employees of the Company, an entity controlled by the Company and/or the Company's managing company;
 - 2) received from the Company and/or its controlled entities, at any time over the past 3 years, remuneration and/or other financial benefits with a value exceeding one half of a director's base (fixed) annual remuneration. The actual income received from the Company and/or its controlled entities in any of the last 3 years shall be compared with the base (fixed) remuneration to independent directors accrued as at the time their independence is assessed in accordance with the remuneration policy. If the remuneration policy is not in place or unavailable, the expected base (fixed) remuneration shall be the base (fixed) remuneration approved for these directors at the last annual General Shareholders Meeting. The assessed financial benefits shall not include payments and/or compensations these persons received as remuneration and/or reimbursement of expenses in connection with the discharge of the director's / committee member's duties at the

Company and/or its controlled entity, including expenses in connection with directors' liability insurance and proceeds or other earnings received by these persons from securities of the Company and/or its controlled entity;

3) are holders or beneficiaries of the Company's shares accounting for over 1% of the Company's authorised capital or having a market value which is more than 20 times higher than a director's fixed annual remuneration;

4) are members of executive bodies and/or employees of a legal entity whose remuneration is determined (considered) by the remuneration committee of such entity, if any of the Company's executives and/or employees is a member of the remuneration committee of such legal entity;

5) provide advisory services to the Company, an entity controlling the Company or legal entities controlled by the Company, or serve on the governing and/or executive bodies of organisations providing such services to the Company or the above legal entities, or are the employees of such organisations who are directly engaged in the provision of such services;

6) provide or have provided over the past 3 years valuation, tax, audit or accounting services to the Company or its controlled legal entities, or have served over the past 3 years on the governing and/or executive bodies of organisations providing such services to these legal entities or of the Company's rating agency, or were the employees of such organisations / rating agency who were directly engaged in the provision of the above services;

7) if a director has served on the Board of Directors for an aggregate of over 7 years. For the purposes of assessment of independence of a candidate (an elected member of the Board of Directors), the candidate (the elected member of the Board of Directors) who has served on the Board of Directors for an aggregate of 7 to 12 years may not be treated as related to the Company if so resolved by the Board of Directors;

8) are on the Board of Directors of a legal entity controlling the Company or a company controlled by, or the managing company of, such legal entity;

5. Members (candidates) of the Board of Directors shall be recognised as **related to the Company's substantial shareholder if they and/or their related parties:**

1) are employees and/or members of executive bodies of the Company's substantial shareholder (a legal entity within a group of companies including the Company's substantial shareholder);

2) received from the Company's substantial shareholder (a legal entity within a group of companies including the Company's substantial shareholder), at any time over the past 3 years, remuneration and/or other financial benefits with a value exceeding one half of a director's based (fixed) annual remuneration. The assessed financial benefits shall not include payments and/or compensations these persons received as remuneration and/or reimbursement of expenses in connection with the discharge of their duties as directors / committee members of the Company's substantial shareholder (a legal entity within a group of companies including the Company's substantial shareholder), including expenses in connection with directors' liability insurance and proceeds or other earnings received by these persons from securities of the Company's substantial shareholder (a legal entity within a group of companies including the Company's substantial shareholder).

6. Members (candidates) of the Board of Directors shall be recognised as **related to the Company's substantial counterparty or competitor if they and/or their related parties:**

1) are employees and/or members of governing and/or executive bodies of the Company's substantial counterparty / competitor or legal entities controlling the Company's substantial counterparty / competitor or entities controlled by such substantial counterparty / competitor;

2) are holders or beneficiaries of shares (interests) in the Company's substantial counterparty / competitor accounting for over 5% of the Company's authorised capital or total voting shares (interests).

7. Members (candidates) of the Board of Directors shall be recognised as **related to the to the government or a municipality** if they:

1) are, or have been for a year preceding their election to the Company's Board of Directors, civil/municipal servants, government officials or employees of the Bank of Russia;

2) have an obligation to vote on one or more matters reserved to the Company's Board of Directors in accordance with a directive of the Russian Federation, its constituent entity or municipality;

3) represent the Russian Federation, its constituent entity or municipality on the board of directors of a company in respect of which it was resolved to exercise a special right to control (a "golden share");

4) are, or have been for a year preceding their election to the Company's Board of Directors, employees or members of executive bodies at an entity controlled by the Russian Federation, its constituent entity or municipality, employees of a governmental or municipal unitary enterprise/institution (other than employees of governmental or municipal educational/research institutions who are engaged in educational or research activity and are not persons appointed (approved) to the sole executive body or any other position at a governmental or municipal education/research institution by a resolution or consent of government authorities (local authorities)), if they are nominated to the board of directors of a company in which the Russian Federation, its constituent entity or municipality controls more than 20% of the authorised capital or voting shares of the Company.

8. For the purposes of this article, the following terms and definitions shall apply:

– *related party* of a member (a candidate) of the Board of Director means spouse, parents, children, adoptive parents, adopted children, full- and half-blood siblings, and any other person living, or sharing a home, with such person;

– *Company's substantial shareholder* means a person entitled – directly or indirectly (through controlled entities), independently or jointly with other parties under a fiduciary management agreement and/or simple partnership agreement and/or agency agreement and/or shareholders' agreement and/or any other agreement which provides for exercising rights conferred by shares (interests) in the Company – to 5% or more of voting rights attached to voting shares in the Company's authorised capital;

– *Company's substantial counterparty* means an entity that is a party to an agreement(s) with the Company, under which the current or fulfilled obligations for the past year exceed(ed) 2% of the book value of consolidated assets of the Company or such entity as at the reporting date preceding the counterparty's substantiality assessment, or 2% of consolidated revenue (income) of the Company or such entity for the full calendar year preceding the counterparty's substantiality assessment. If the counterparty does not have consolidated financial statements, the calculations can be based on its financial statements.

– *beneficiary of the Company's shares* means an individual who, by virtue of equity ownership in the Company, by contract or otherwise, receive economic benefit from holding shares (interests) and/or exercising voting rights attached to the shares (interests) in the Company's authorised capital.

9. In exceptional cases, the Board of Directors may recognise a candidate/director as independent even if the candidate/director meets the formal criteria of being related to the Company, the Company's substantial shareholder, the Company's substantial counterparty and/or competitor, the government (the Russian Federation or its constituent entity) and/or a municipality

in accordance with Articles 6.4–6.7 hereof, provided that this does not affect the ability of such person to make independent, unbiased and good faith judgements.

The above applies if all of the following conditions are met:

1) the relevant resolution of the Board of Directors shall contain a reasoned justification for the director/candidate being recognised as independent;

2) the resolution to recognise the director/candidate as independent shall be disclosed on the Company's website, indicating:

– the quorum at the meeting of the Company's Board of Directors and the results of the voting on this matter, including the full name and the voting options (FOR, AGAINST, ABSTAINED) for each member of the Board of Directors who voted, or abstained from voting, on the matter to recognise the director/candidate as independent;

– the contents of the resolution, including a reasoned justification for the director/candidate being recognised as independent;

– the date of the meeting of the Company's Board of Directors at which the relevant resolution was passed;

– the date and the number of the minutes of the meeting at which the relevant resolution was passed.

The circumstances in which the Board of Directors may recognise a candidate/director as independent include, inter alia:

1) the related party of the candidate/director is an employee (other than an employee with management powers) at an entity controlled by the Company or a legal entity within a group of companies including the Company's substantial shareholder (but excluding the Company), the Company's substantial counterparty / competitor or a legal entity controlling the Company's substantial counterparty / competitor or its controlled entities;

2) the nature of relationships between the candidate/director and their related party is such that they cannot influence the candidate's decisions;

3) the candidate/director has an established reputation (including with the investor community) for being able to formulate an independent position on their own.

10. Independent directors shall refrain from any actions that may result in them ceasing to be independent. If, after an independent director has been elected to the Board of Directors, any circumstances arise that cause him/her to cease to be independent, he/she shall notify the Board of Directors thereof.

11. The Board of Directors (the Board of Directors' HR and Remuneration Committee) shall assess the independence of candidates for the Board of Directors, give an opinion on the candidate's independence and review on a regular basis whether its independent directors meet the independence criteria set out in Articles 6.4–6.7 hereof.

12. An independent director responsible for specific functions of the Board of Directors (serving on the Board of Directors' committee) shall possess adequate professional knowledge in the relevant area (the Company's industry, crisis management, corporate governance, financial analysis, audit and others).

13. If the Listing Rules of PJSC Moscow Exchange (approved by the resolution of the Supervisory Board of PJSC Moscow Exchange, Minutes No. 3 dated 26 June 2017) setting out the independence criteria for the members of the Board of Directors are amended resulting in a conflict with certain provisions of these Regulations, the provisions of the Listing Rules shall prevail.

4. CHAIRMAN OF THE BOARD OF DIRECTORS

Article 7. Election of Chairman of the Board of Directors

1. The Chairman of the Board of Directors shall be elected by the Board of Directors from among its members by majority of votes of all its members. Votes of former members shall not be counted.

2. A person acting as any of the Company's sole executive bodies may not simultaneously serve as chairman of the Board of Directors.

3. The Board of Directors may re-elect its Chairman at any time by majority of votes of its all members. Votes of former members shall not be counted.

4. Members of the Board of Directors may elect a Deputy Chairman of the Board of Directors to exercise chairman's functions in the absence of the chairman.

5. If the person who served as Chairman of the previous Board of Directors is elected to the new Board of Directors, this person continues to serve as Chairman until the new Chairman of the Board of Directors is elected. If the person who served as Chairman of the previous the Board of Directors is not elected to the new Board of Directors, the oldest member of the Board of Directors shall act as its Chairman until the new Chairman of the Board of Directors is elected.

Article 8. Functions of Chairman of the Board of Directors

1. The Chairman of the Board of Directors shall oversee the activities of the Board of Directors, convene and chair its meetings, ensure that minutes of meetings are taken and chair General Meetings of Shareholders.

The Chairman of the Board of Directors interacts with the Company's shareholders, organizes exchange of correspondence between the Board of Directors and the Company's shareholders and signs letters and other documents on behalf of the Board of Directors.

2. In the absence of the Chairman and Deputy Chairman, their functions shall be exercised by a director as resolved by the Board.

The person acting as Chairman in the absence of the Chairman of the Board of Directors may exercise all powers exercisable by the Chairman of the Board of Directors.

3. The Chairman of the Board of Directors may not delegate the functions of the Chairman to any other person.

5. SECRETARY OF THE BOARD OF DIRECTORS

Article 9. Election of Secretary of the Board of Directors

1. The Secretary of the Board of Directors shall be elected from members of the Board of Directors.

The Secretary of the Board of Directors may be appointed from individuals who do not serve on the Board of Directors.

2. The Board of Directors may re-elect its Secretary at any time.

3. If the person who served as Secretary of the previous Board of Directors is elected to the new Board of Directors, this person continues to serve as its Secretary until the new Secretary of the Board of Directors is elected. If the person who served as Secretary of the previous Board of Directors is not elected to the new Board of Directors, the duties of the Secretary of the Board of Directors shall be exercised by a director acting as Chairman of the Board of Directors until the new Secretary of the Board of Directors is elected.

4. If the Secretary of the Board of Directors is absent or unable to exercise the functions of Secretary at a meeting of the Board of Directors, the functions of Secretary of the Board of Directors shall be exercised by an individual appointed by the Chairman of the Board of Directors.

Article 10. Functions of Secretary of the Board of Directors

The Secretary of the Board of Directors shall:

- register and store incoming documents and copies of outgoing documents of the Board of Directors;
- provide technical and administrative support to directors during preparation for the meetings of the Board of Directors;
- maintain and prepare minutes of meetings of the Board of Directors, ensure minutes of meetings with all attachments are stored, and prepare extracts from minutes of meetings of the Board of Directors;
- ensure that ballots sent to the Board of Directors by its members are properly stored when resolutions are passed by poll (absentee voting);
- count votes on resolutions voted on at meeting of the Board of Directors; count votes on resolutions voted on by poll (absentee voting);
- exercise other functions in accordance with these Regulations.

6. COMMITTEES OF THE BOARD OF DIRECTORS

Article 11. Establishment of committees

1. To fulfil its functions, the Board of Directors may establish committees. The committees conduct preliminary reviews of critical matters reserved to the Board of Directors and advise the Board of Directors in its decision-making.

2. The Board of Directors shall establish the following permanent committees:

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

The Board of Directors may resolve to establish other permanent or ad hoc committees.

3. The committees shall be established by the Board of Directors from among its members who have relevant expertise and knowledge.

4. Each committee shall consist of at least three members. The Audit Committee and the HR and Remuneration Committee shall be made up of independent directors only. If this is impossible for objective reasons, then the majority shall be independent directors, with the remaining members being appointed from directors other than the sole executive bodies and/or the members of the collective executive body of the Company

5. Chairmen of the Board of Directors' committees shall be elected by the Board of Directors from among members of the relevant committees.

Article 12. Operation of committees

1. The Board of Directors shall approve the by-laws regulating the establishment, operation and functions of its committees. When defining which matters shall be delegated to its committees, the Board of Directors may define the list of the matters reserved to the Board of Directors that are subject to preliminary consideration by the relevant committees.

2. The committees of the Board of Directors do not constitute the governing bodies of the Company and have no authority to act on behalf of the Board of Directors.

3. The performance of each committee shall be evaluated by the Board of Directors on an annual basis.

Article 13. Audit Committee

The Audit Committee shall be established for preliminary consideration of matters related to the oversight of the Company's business and financial operations. Its main functions shall be, inter alia:

- oversee that the Company's financial statements are complete, accurate and reliable;
- oversee that the Company's risk management and internal control systems are resilient and effective;
- ensure that the Company's internal and external audits are independent and unbiased;
- oversee that the Company's whistleblowing procedure for reporting misconduct by the Company's employees (including the reporting of misuse of insider or confidential information) and third parties or other malpractice in the Company is effective; oversee the implementation of measures that the Company's executive bodies have taken in line with this procedure;
- review the Company's fund raising transactions.

Article 14. HR and Remuneration Committee

The HR and Remuneration Committee shall be established for preliminary consideration of matters related to the development of an effective remuneration policy, staff planning (succession planning), composition and effectiveness of the Board of Directors. Its main functions shall be, inter alia:

- develop and regularly review the Company's policy on remuneration of members of the Board of Directors, members of the collective executive body, and the person acting as any of the sole executive bodies of the Company; oversee its integration and implementation;
- conduct preliminary year-end performance evaluation of the collective executive body and the sole executive bodies of the Company in accordance with the Company's remuneration policy;
- draft early termination clauses for employment agreements with members of the Company's collective executive body and the person acting as any of the Company's sole executive bodies, including the Company's payment obligations and payment terms;
- prepare recommendations to the Board of Directors as to remuneration rates and the reward policy for the Company's Corporate Secretary (the head of the business unit exercising the functions of the Corporate Secretary);
- carry out annual formal detailed performance evaluation of the Board of Directors, its members and committees – whether internally or externally facilitated; determine priority areas for strengthening the Board of Directors;
- engage with shareholders, including minority shareholders, to prepare recommendations to shareholders on voting to elect the Company's Board of Directors;
- plan appointments (including with a view to ensuring succession) to the collective executive body and any of the sole executive bodies, prepare recommendations to the Board of Directors on candidates for Corporate Secretary (the head of the business unit exercising the functions of the Corporate Secretary), members of the executive bodies, and other key management positions with the Company.

Article 15. Strategy Committee

The Strategy Committee shall be established for preliminary consideration of matters related to the formulation of the Company's development strategy. Its main functions shall be, inter alia:

- define the Company's key development priorities;
- approve the Company's strategic plan and investment programme;
- plan the initiatives aimed at implementing the Company's strategic development plan;

- approve strategic planning methods; distribute strategic planning roles among the Company's business units and subsidiaries;
- prepare recommendations (proposals) to the Board of Directors and the management team regarding the development of the Company's strategic plan and investment programme;
- prepare recommendations (proposals) to the Board of Directors and the management team regarding the relevant amendments to the Company's strategic plan and investment programme;
- consider merger and acquisition transactions (acquisition of shares (interests) in other legal entities);
- consider the Company's big investment projects;
- consider the Company's transactions related to raising finance for merger and acquisition transactions (acquisition of shares (interest) of other legal entities).

Article 16. Capital Markets Committee

The Capital Markets Committee shall be established to align the Company's governance system with best international practices, improve governance effectiveness, ensure full protection of rights and interests of the shareholders, maintain a stable dividend policy, develop and oversee the Company's corporate conflict prevention and resolution policy, and establish an effective dialogue with the financial community.

The main functions of the committee shall be:

- review and evaluate the existing corporate governance practice and prepare recommendations regarding how to develop this function in line with best international practices;
- oversee the key procedures and changes in the Company's corporate governance;
- review the performance of the Board of Directors and organise annual internal (self) or external evaluations of the Board of Directors;
- provide recommendations to the Board of Directors and the management of the Company regarding the development of the Company's corporate culture;
- provide recommendations regarding how to improve the Company's investor relations strategy;
- provide recommendations regarding how to improve and optimise the disclosure procedures, including recommendations for defining the formats, means and extent of disclosure, organising the preparation of the Company's annual report and investor communication;
- facilitate the engagement of the Board of Directors with investors to improve the attractiveness of owning the Company's securities;
- provide recommendations regarding the Company's environmental, social and governance (ESG) policy;
- assist in formulating the Company's dividend policy, evaluate regularly its effectiveness and oversee its implementation.

7. RIGHTS AND OBLIGATIONS OF DIRECTORS. PROCEDURE FOR EXERCISING RIGHTS AND OBLIGATIONS

Article 17. Rights of a member of the Board of Directors

Any member of the Board of Directors shall have the right to:

- request any information (documents and materials) from the Company's officers and employees in accordance with the procedure set out herein;
- receive remuneration and/or reimbursement of expenses in connection with the performance of their obligations as a member of the Company's Board of Directors in the cases and in the amount stipulated in these Regulations;

- familiarise themselves with minutes of meetings of the Board of Directors and the Company’s collective executive body and receive copies thereof;
- request that their dissenting opinion on agenda items or resolutions be included in minutes of a meeting of the Board of Directors;
- attend meetings of the Company’s collective executive body;
- request that a meeting of the Board of Directors be convened.

Article 18. Obligations of a member of the Board of Directors

Any member of the Board of Directors shall:

- be loyal to the Company (refrain from taking advantage of their position in their own interests or for the benefit of a third-party to the detriment of the Company);
- act within their rights in accordance with the purpose and role of the Board of Directors;
- act reasonably, in good faith and with due care in relation to the Company’s business, which means that, when exercising their rights and obligations stipulated by the laws, the Company’s Articles of Association and its other by-laws, a member of the Board of Directors shall exercise the caution and prudence that would be expected of a good manager in a similar situation in similar circumstances;
- act in the interests of the Company as a whole rather than individual shareholders, officers and other persons;
- in case of any contradictions between the interests of the Company and a Board member, notify the Board of Directors of such contradictions with regard to any item on the agenda of the meeting of the Board of Directors or of the Committee of the Board of Directors, before the discussion of the relevant agenda item;
- not disclose any confidential information about the activities of the Company and its subsidiaries or any insider information;
- initiate meetings of the Board of Directors to resolve urgent issues;
- attend meetings of the Board of Directors;
- participate in passing resolutions at meeting of the Board of Directors by voting on the agenda items;
- make evidence-based decisions after having examined all relevant information (materials), conduct investigations and inform all members of the Board of Directors of any information relevant to its resolutions;
- assess risks and negative consequences before making decisions;
- notify the Company, within 2 months of the date when they became or ought to have become aware of any circumstances which may result in them being recognised as interested parties in the Company’s transactions, of the following:
 - 1) legal entities in relation to which they, their spouse, parents, children, full- and half-blood siblings, adoptive parents and adopted children and/or their controlled entities are controlling persons or have the right to give binding instructions;
 - 2) legal entities in which they, their spouse, parents, children, full- and half-blood siblings, adoptive parents and adopted children and/or their controlled entities are members of the governing bodies;
 - 3) actual or proposed transactions of which they are aware in which they may be recognised as interested parties (information about the above transactions shall include the details of all their participants, timeframe, execution and price),
and notify the Company of any changes in the above details within 14 days of the date they became or ought to have become aware of the changes.

The requirements to the procedure for, and form of, notification referred to herein are established by the Bank of Russia.

- disclose any shareholding in the Company and any sale and/or purchase of the Company's securities in accordance with the applicable law;
- participate in any expert reviews of projects and programmes proposed by the Board of Directors;
- draft proposals on improving the Company's financial and economic performance as requested by the Board of Directors;
- inform other members of the Board of Directors of any breaches of laws and regulations, Articles of Associations, regulations, rules and guidelines of the Company by the Company's employees, including officers;
- draw up and submit for consideration of the Board of Directors matters reserved to it;
- formulate an opinion on the Company's annual reports, annual financial statements, including income statements, the Company's profit distribution procedure, including the payment (declaration) of dividends, and losses for the reporting year;
- attend the General Shareholders Meeting and answer questions of other meeting participants;
- notify the Board of Directors of their intention to hold positions in governing bodies of other entities and of their election (appointment) to governing bodies of other entities immediately after such election (appointment);
- upon termination of powers (including early termination), a non-executive director¹ should provide a written statement to the Chairman of the Board of Directors for circulation to the Board of Directors, if they have any unresolved concerns about the operation of the Board of Directors or the Company's executive bodies.

Article 19. Procedure for exercising rights and obligations of the Board of Directors

1. Members of the Board of Directors shall perform their duties on an ongoing basis which shall not be limited to participation in the Board of Directors' decision-making.
2. The person responsible for safekeeping of minutes of meetings of the Board of Directors shall immediately upon request of any member of the Board of Directors provide the member of the Board of Directors with certified copies thereof.

Article 20. Obligations of the Company's sole executive bodies and members of the collective executive body to satisfy requests of the Board of Directors 1. The Company's sole executive bodies and the members of the Company's collective executive body shall be obliged to provide any member of the Board of Directors upon their request with any information whether related or not directly related to the Company's operations to the extent permitted by law, except for information about an individual's private life or any information constituting a violation of personal or family privacy, privacy of correspondence, telephone conversations, postal, telegraph or any other communications.

2. In the event that the information requested by the member of the Board of Directors cannot be provided, the Company's sole executive bodies or a member of the Company's collective executive body shall provide such member of the Board of Directors with a reasoned refusal in writing within one day.

3. The refusal of the Company's sole executive bodies or a member of the Company's collective executive body to provide information shall be brought to the notice of the Board of Directors by its member.

¹ Non-executive director is a member of the Board of Directors who is not a part of the company's executive bodies or engaged by the company as employee.

4. The Company's sole executive bodies or a member of the Company's collective executive body shall upon request provide a member of the Board of Directors with access to information and opportunity to make copies of documents and materials.

5. Agreements between the Company and its sole executive bodies or members of the Company's collective executive body shall include provisions on liability for failure to provide information to a member of the Board of Directors.

8. CONVENING MEETINGS OF THE BOARD OF DIRECTORS

Article 21. Convening procedure

1. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors at the Chairman's discretion or at the request of a member of the Company's Board of Directors, auditor, sole executive bodies (President or Chief Executive Officer) or collective executive body (Management Board).

2. When resolving to convene a meeting of the Board of Directors, the persons who convene the meeting shall determine the following:

- the date, time and venue of the meeting;
- the meeting agenda;
- the items put to the vote;
- a list of information (materials) to be provided to members of the Board of Directors for the meeting.

Article 22. Venue and time of meetings

1. A meeting may not be held in a venue and at a time that makes it difficult or impossible for the majority of members of the Board of Directors to be present.

2. A meeting may not be held at night (from 22 pm to 6 am local time) as well as outside the Russian Federation, unless all members of the Board of Directors agreed to hold a meeting at night or outside the Russian Federation.

3. A meeting may not be held in production facilities or any other premises where normal operations of the Board of Directors may not be possible.

4. If technically possible, the members of the Board of Directors who are not present in the venue where the meeting is held, may participate in the discussion of agenda items and vote on them remotely via conference call or video conference.

Article 23. Notices of meetings

1. All members of the Board of Directors shall be notified of a meeting of the Board of Directors at least 5 calendar days before the meeting. The period of notice may be shortened with the consent of all current members of the Board of Directors.

Notices shall be given to members of the Board of Directors in either of the following ways (at the discretion of the convening person):

- by e-mail to be sent from e-mail address invest@magnit-info.ru to the e-mail address of a member of the Board of Directors specified in their consent to being elected to the Board of Directors, or separately communicated to the Company in writing, or
- in writing to a postal address specified in their consent to being elected to the Board of Directors or separately communicated to the Company in writing, or
- in any other way convenient for the member of the Board of Directors (including by post, telegraph, e-mail or other means).

2. A notice of meeting shall include the following information:

- the convening person (full name of the person, body or legal entity that made the request);

- agenda items;
- the reasons why the above items are included in the agenda;
- the venue and time of the meeting.

If there is a list of data (materials) to be provided to members of the Board of Directors for the meeting, these data (materials) shall be provided at the request of the member of the Board of Directors prior to the meeting in the format and within the timeframe to be determined by the Board of Directors. These data (materials) shall be provided to all members of the Board of Directors present at the meeting.

Article 24. Change in venue and time of meetings

1. If circumstances arise that make it impossible or difficult to hold a meeting of the Board of Directors in the venue and/or at the time communicated to the members of the Board of Directors, the venue and/or time of the meeting may be changed. The meeting shall be held within 10 days of the date of the originally planned meeting.

2. Any change in the venue and/or time of the meeting of the Board of Directors shall be communicated to all members of the Board of Directors by the Chairman of the Board of Directors within a reasonable timeframe sufficient for the members to arrive at the meeting. A notice of change shall be given to members of the Board of Directors by either of the means referred to in Article 22.1 hereof.

Article 25. Requests to convene a meeting

1. Any request to convene a meeting of the Board of Directors shall be submitted to the Chairman of the Board of Directors in writing and shall include the following information:

- the convening person (full name of the person, body or legal entity that made the request);
- agenda items;
- the reasons why the above items are included in the agenda;
- the address to which a response to the request shall be sent.

2. The request shall be signed by the convening person. Requests submitted by the Company's Management Board shall be signed by the Chairman of the Management Board (their deputies) respectively subject to the relevant resolution of the Management Board. A request of the Company's Management Board to convene a meeting of the Board of Directors shall be submitted with the relevant minutes of the meeting of the Company's Management Board.

3. The date of the request shall be the date on which it is received by the Chairman of the Board of Directors.

Article 26. Refusal to convene a meeting

1. The Chairman of the Board of Directors may not refuse to convene a meeting unless:

- a request to convene a meeting does not comply with the Russian laws and regulations, the Company's Articles of Association and these Regulations;
- the matters proposed by the convening person for consideration by the Company's Board of Directors are not reserved to the Board of Directors by the Russian effective laws and the Company's Articles of Association;
- the convening person has no right to request a meeting of the Board of Directors.

2. The Chairman of the Board of Directors shall consider the submitted request to make the decision to accept or reject it within 5 days of the request.

3. The Chairman of the Board of Directors shall inform the convening person of its decision within 5 days of the decision.

4. A meeting of the Board of Directors convened at the request of the persons referred to in Article 19.1 hereof shall be held within 10 days of the request.

Article 27. Mandatory meetings

1. The Chairman of the Board of Directors shall convene a meeting of the Board of Directors to address the following issues:

a) to convene a General Shareholders Meeting and pass resolutions required for convening and holding a General Meeting in accordance with Article 54.1 of the Federal Law on Joint Stock Companies;

b) to pre-approve the Company's annual report pursuant to Article 88.4 of the Federal Law on Joint Stock Companies;

c) to consider proposals of shareholders to include items in the agenda of the annual General Shareholders Meeting and nominate candidates to the Company's bodies in accordance with the procedure prescribed in Articles 53.1 and 53.2 of the Federal Law on Joint Stock Companies; to approve or reject the inclusion of items on the agenda of the annual General Shareholders Meeting and candidates on the list for election into the Company's bodies;

d) to convene a General Shareholders Meeting to resolve on the election of a new Board of Directors as prescribed in Article 68.2 of the Federal Law on Joint Stock Companies;

e) in the other cases stipulated by effective Russian laws.

2. If the Chairman of the Board of Directors fails to convene a meeting of the Board of Directors to address the above issues, the meeting may be convened by the Deputy Chairman of the Board of Directors or, if not, by any member of the Board of Directors.

9. MEETINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS

Article 28. Meetings of the Board of Directors

1. Meetings of the Board of Directors shall be held as and when necessary, but at least once every 2 months.

2. When passing resolutions, the members of the Board of Directors present at the meeting shall express their opinions on the agenda items by way of voting.

Article 29. Resolutions of the Board of Directors

1. The Board of Directors shall pass resolutions in following ways:

a) at a meeting of the Board of Directors (including remotely via conference call and video conference in accordance with Article 21.4 hereof);

b) at a meeting of the Board of Directors at which written opinions of non-attending members of the Board of Directors are counted for quorum and voting purposes. The above shall not preclude the use of conference calls or video conferences by members of the Board of Directors in accordance with Article 21.4 hereof;

c) by absentee voting (a way to pass resolutions when members of the Board of Directors vote without all being present at the meeting by using ballots).

2. Each member of the Board of Directors shall be entitled to one voting right at a meeting of the Board of Directors.

No transfer of voting rights by a member of the Board of Directors to any other person, including other member of the Board of Directors, shall be permitted.

In case of an equality of votes, the Chairman of the Board of Directors shall have a casting vote.

3. The Board of Directors shall pass resolutions by a majority of votes of the members of the Board of Directors who participate in the meeting and/or have expressed their opinions in

writing, unless otherwise stipulated by the Federal Law on Joint Stock Companies and the Company's Articles of Association.

In case of absentee voting, a resolution of the Board of Directors shall be deemed passed if more than one half of the participating members of the Board of Directors vote in favour of it, unless otherwise stipulated by the Federal Law on Joint Stock Companies or the Company's Articles of Association.

Resolutions on the following matters shall be passed unanimously by all members of the Board of Directors (votes of the former members shall not be counted):

1) to increase the company's authorised capital through issuing additional shares at the expense the Company's assets;

2) to increase the Company's authorised capital through offering additional ordinary shares by way of public subscription representing up to 25% of the Company's outstanding ordinary shares;

3) to offer, by way of public subscription, issue-grade convertible securities that may be converted into ordinary shares representing up to 25% of outstanding ordinary shares;

4) to pass resolutions to give consent to, or on subsequent approval of, major transactions in respect of assets with a value of 25% to 50% of the book value of the Company's assets;

In the absence of unanimity of the Board of Directors on any of the above matters, the Board of Directors may refer such matter to the General Shareholders Meeting .

Resolutions to give consent to, or subsequent approval of, an interested-party transaction shall be passed by the Board of Directors as and when stipulated by Article 83 of the Federal Law on Joint Stock Companies.

4. Where, in cases stipulated by the Federal Law on Joint Stock Companies, the Company's Article of Association and these Regulations, a resolution is passed unanimously by all members of the Board without taking into account the votes of former members, the former members of the Board of Directors shall include:

- the members who are dead, missing or having no legal capacity;
- persons whose powers as members of the Board of Directors have been terminated or suspended by legally effective resolutions of relevant authorities.

Article 30. Counting written opinions of non-attending members of the Board of Directors

1. Written opinions of non-attending members of the Company's Board of Directors shall be taken into account when determining a quorum or summing up the voting results.

A written opinion shall be submitted by a member of the Board of Directors to the Chairman of the Board of Directors prior to the meeting of the Board of Directors.

2. If a copy of the written opinion has not been included in the filings (materials) provided to the members of the Board of Directors for the meeting, the person presiding at the meeting shall read aloud the written opinion of the non-attending member on an agenda item before voting on the relevant agenda item starts.

3. A member of the Board of Directors may provide a written opinion for voting on all or some of the agenda items.

4. If members of the Board of Directors are present at the meeting, their written opinions submitted prior to the meeting shall not be publicly read at the meeting and shall not be counted for quorum and voting purposes.

5. A written opinion of a member of the Board of Directors shall not be counted when determining a quorum and summing up the voting results, if such written opinion:

- is received after the results of the voting on the agenda item have been declared;
- is not signed by the member of the Board of Directors;

- does not indicate the member of the Board of Directors who prepared it;
- does not unambiguously state what was the decision of the member of Board of Directors in respect of the agenda item (the proposed draft resolution), including when more than one voting option have been indicated to vote on an agenda item or when the “For” option have been selected for more candidates than there are persons to be elected.

6. Any member of the Board of Directors may request that their dissenting opinion on any agenda items or resolutions be included in minutes of a meeting of the Board of Directors.

Article 31. Effective date.

A resolution of the Board of Directors passed at a meeting of the Board of Directors shall become effective upon the Chairman's announcing the voting results on the agenda item.

Article 32. Minutes of meetings of the Board of Directors

1. Minutes of meetings of the Board of Directors shall be kept by the Secretary of the Board of Directors and, in their absence, by one of the members of the Board of Directors performing the Secretary's functions.

2. Minutes of a meeting of the Board of Directors shall be prepared within 3 days of the meeting.

Minutes of meetings of the Board of Directors shall include the following information:

- the Company's corporate name;
- the venue and time of the meeting;
- the persons present at the meeting;
- the members of the Board of Directors who have submitted written opinions on agenda items;.
- the meeting agenda;
- the matters put to the vote and the voting results;
- the resolutions passed on the agenda items of the meeting;
- the person who counted votes.

Minutes of meetings of the Board of Directors shall be signed by the Chairman and Secretary of the Board of Directors or persons performing their functions in accordance with Article 8.2 and Article 9.4 of these Regulations.

3. The written opinions of non-attending members of the Company's Board of Directors on certain agenda items that were counted for quorum and voting purposes shall be included in the minutes of the meeting as attachments thereto.

The documents to be attached to the minutes of the meeting of the Board of Directors shall include minutes of meetings / recommendations of the committees of the Board of Directors on agenda items; dissenting opinions of the members of the Board of Directors on agenda items and resolutions passed by the members of the Board of Directors (if any); and other documents if deemed necessary.

4. Minutes of meetings of the Board of Directors shall be stored by the Company in the office of its sole executive bodies in accordance with the procedure, and for the period, specified by the Bank of Russia. If no such period is established, the Company shall keep minutes of the Board of Directors' meetings on a permanent basis.

The Company shall make minutes of meetings of the Board of Directors available to the shareholders, members of the Board of Directors, the auditor, President, Chief Executive Officer, and members of the Management Board of the Company..

5. The Company shall make minutes of the Board of Directors' meetings available for inspection in the office of the Company's sole executive bodies within 7 days of the request of a person referred to above. The Company shall provide the above persons upon their request with

copies of minutes of meetings of the Board of Directors. The fees charged by the Company for the provision of these copies may not exceed the cost of making such copies..

10. PASSING RESOLUTIONS BY ABSENTEE VOTING

Article 33. Absentee voting

1. The Board of Directors may pass resolutions by absentee voting.

2. The decision to carry out absentee voting shall be made by the Chairman of the Board of Directors. The decision to carry out absentee voting may not be made by persons acting as Chairman of the Board of Directors before the Chairman is elected or in the absence of the Chairman.

3. The following is approved by decision to carry out absentee voting:

- the agenda of the meeting of the Board of Directors;
- the items put to the vote (draft resolutions on the agenda items for the meeting of the Board of Directors);
- the contents and form of ballots for voting on the agenda items of the meeting;
- a list of the data (materials) to be provided to the members of the Board of Directors;
- the date on which the members of the Board of Directors shall be provided with voting ballots and the data (materials) in relation to the agenda items;
- the final date for submitting the ballots;
- the address for submitting the ballots.

The voting ballots and all other data (materials) shall be sent to the members of the Board of Directors as prescribed by Article 22.1 hereof.

Article 34. Voting ballots

1. A ballot paper shall include the following information:

- the Company's corporate name;
- the final date for submitting the ballot papers;
- the address for submitting the ballot papers;
- each item put to the vote and the voting options for each agenda item (“For”, “Against”, “Abstain”);
- the statement that the ballot paper must be signed by a member of the Board of Directors.

2. In case of absentee voting, the members of the Board of Directors whose ballot papers have been received before the established deadline shall be deemed to have participated therein.

3. A ballot paper shall be invalid if:

- it is not signed by a member of the Board of Directors;
- more than one voting option on the agenda item have been selected and it is impossible to unambiguously identify what was the decision of the voting member;
- the item put to the vote includes more than one option for wording the resolution and the “For” option have been selected for more than one wording option;
- when candidates are elected, the “For” option have been selected for more candidates than there are persons to be elected;
- when votes are counted, two or more completed ballot papers of a member of the Board of Directors are found stating different voting options for the same agenda item.

4. If there are several issues put to the vote in a ballot paper, the invalidity of the ballot paper with respect to one or several items shall not affect the validity of the entire ballot paper.

5. The relevant minutes shall be drawn up by the Secretary of the Board of Directors within 3 days of the deadline established for the submission of ballot papers. The minutes shall be signed

by the Chairman of the Board of Directors who shall be responsible for the correctness of the minutes and by the Secretary of the Board of Directors.

6. The minutes drawn up for absentee voting shall include the following information:

- the Company's corporate name;
- the established deadline for the submission of ballot papers;
- the members of the Board of Directors who have submitted completed ballot papers;
- the agenda items for the meeting of the Board of Directors in respect of which resolutions were passed by absentee voting;
- the matters put to the vote (draft resolutions on the agenda items) and the voting results;
- the number of ballot papers identified as invalid;
- the results of voting on each agenda item;
- the person who counted votes.

7. The resolutions passed by the Board of Directors by absentee voting and the voting results shall be communicated to all members of the Board of Directors within 3 days of signing the relevant minutes by sending them copies of the minutes in accordance with Article 22.1 of these Regulations.

Article 35. Effective date.

Resolutions of the Board of Directors passed by absentee voting shall come into effect from the date of the Board meeting's minutes, but not later than 3 days of the deadline for the submission of ballot papers.

Article 35.1. Independent directors' questionnaires.

Members of the Board of Directors shall regularly fill in the independent directors' questionnaires prepared by the Company and covering all the matters to be considered when assessing their independence as required by applicable laws and listing rules.

11. REMUNERATION AND REIMBURSEMENT OF EXPENSES OF THE BOARD OF DIRECTORS

Article 36. Remuneration and reimbursement of expenses

1. Members of the Board of Directors shall be entitled to remuneration and/or reimbursement of expenses in connection with the performance of their functions during their term of office in the amount and in accordance with the procedure stipulated in these Regulations.

2. Members of the Board of Directors shall not be entitled to any remuneration and/or reimbursement of expenses for performing their obligations in any manner and any form for passing resolutions of the Board of Directors or other bodies of the Company or for exercising their rights and obligations as members of the Board of Directors unless otherwise provided for herein.

Article 37. Payment of remuneration

1. There are several types of remuneration paid to members of the Board of Directors (jointly, the "Remuneration"):

- base remuneration,
- additional remuneration, and
- special remuneration.

2. Each member of the Board of Directors shall be entitled to a *base remuneration* of *EUR 150,000 (one hundred fifty thousand euros)* per year for the membership in the Board of Directors (including participation in the committees of the Board of Directors).

3. Chairman of the Board of Directors and Chairmen of the Committees shall be entitled to the following *additional remuneration* paid in addition to the base remuneration:

- Chairman of the Board of Directors – *EUR 200,000 (two hundred thousand euros)* per year;
- Chairman of the Audit Committee – *EUR 100,000 (one hundred thousand euros)* per year;
- Chairman of the HR and Remuneration Committee – *EUR 75,000 (seventy-five thousand euros)* per year;
- Chairman of the Strategy Committee – *EUR 100,000 (one hundred thousand euros)* per year;
- Chairman of the Capital Markets Committee – *EUR 100,000 (one hundred thousand euros)* per year.

4. The member of the Board of Directors acting as Chairman of the Strategy Committee in 2018 shall be entitled to a special remuneration of *EUR 375,000 (three hundred seventy-five thousand euros)* paid in addition to the base remuneration and the additional remuneration.

5. For remunerations paid in roubles, payments shall be calculated at the applicable exchange rate published by the Bank of Russia on the date preceding the payment date.

6. The base remuneration and the additional remuneration shall be paid quarterly not later than 30 days of the quarter end. A quarterly payment shall amount to one-fourth of the relevant remuneration or, if a person was appointed to the Board of Directors after the reporting quarter start date, to the part of a quarterly payment proportionate to the period actually worked.

7. The special remuneration shall be paid as a lump sum within 30 (thirty) calendar days of approval of this version of the Regulations.

8. In the event of early termination of powers of a member of the Board of Directors and election of new members to the Board of Directors at an extraordinary General Shareholders Meeting, the Remuneration shall be paid in the amount proportionate to the actual term of office of the member of the Board of Directors and shall be calculated as the amount of Remuneration multiplied by the actual term of office divided by 365 days.

9. The Remuneration shall be paid to a member of the Board of Directors by one of the following means: transfer to a personal bank or card account of a member of the Company's Board of Directors.

Article 38. Reimbursement of expenses

1. In addition to the remuneration paid to members of the Board of Directors during their term of office, the Board of Directors shall be entitled to reimbursement of expenses in connection with the performance of functions as members of the Board of Directors. Expenses of members of the Board of Directors shall be reimbursed by the Company only if incurred reasonably, in good faith and in direct connection with the exercise of their functions.

2. The Company shall reimburse the members of the Board of Directors during their term of office for the following expenses:

- expenses related to travelling to/from, and staying at, the venue of the meeting of the Board of Directors;
- expenses related to participating in the meeting of the Board of Directors by telephone, via conference calls, by sending a written opinion and through absentee voting;
- expenses in connection with the exercise of functions by members of the Board of Directors between meetings;
- expenses related to engaging consultants and experts and obtaining relevant opinions regarding the operations of the Board of Directors.

3. The reimbursement of expenses of members of the Board of Directors shall include compensation for expenses actually incurred by members of the Board of Directors.

4. Each member of the Board of Directors shall be entitled to reimbursement of expenses within EUR 50,000 per annum (the "Reimbursement Limit").

The aggregate amount of annual reimbursement for each member of the Board of Directors may not exceed the Reimbursement Limit. Expenses shall be reimbursed by a written request of a member of the Board of Directors.

If annual expenses of a member of the Board of Directors exceed the Reimbursement Limit, reimbursement of expenses above the Reimbursement Limit shall be considered at a General Shareholders Meeting .

5. For reimbursement paid in roubles, payments shall be calculated at the applicable exchange rate published by the Bank of Russia on the date preceding the payment date.

6. To claim reimbursement of expenses within the Reimbursement Limit, the member of the Board of Directors shall submit a written expense report to PJSC Magnit's Chief Executive Officer.

7. Reimbursement of expenses of a member of the Board of Directors shall be made by either of the following means: payment at the Company's treasury department, wire transfer to a personal bank or card account of a member of the Company's Board of Directors, or opening a corporate bank card to the member of the Board of Directors.

8. Reimbursement of expenses incurred by members of the Board of Directors in connection with the exercise of their functions between meetings, except for participation in meetings of the committees of the Board of Directors, shall be claimed by submitting a written application stating that the expenses were incurred reasonably for the Company.

12. DIRECTORS' LIABILITY INSURANCE

Article 39. Directors' liability insurance

The Company may purchase for members of the Board of Directors insurance against liability that may arise as a result of lawsuits or claims brought against members of the Board of Directors by third parties or shareholders of the Company in connection with business decisions or other actions of members of the Board of Directors during their term of office.

13. ACQUAINTANCE WITH THE COMPANY'S BUSINESS

Article 40. Procedure for getting acquainted with the Company's business

Each new member of the Board of Directors shall become acquainted with the Company's business (the induction procedure) to gain knowledge and understanding of the Company's history, strategy, corporate governance system, risk management and internal control system, distribution of responsibilities between the Company's executive bodies, the work of the Board, the Company's documents (latest annual reports, minutes of annual and extraordinary General Shareholders Meetings, minutes of meetings of the Board of Directors) and other material information about the Company's business.

Article 41. Introduction of director's to the Company's management

Each new member of the Board of Directors shall be introduced to the Company's officers.

Article 42. Provision of information (documents and materials) about the Company

The sole executive bodies shall provide members of the Board of Directors upon their request with certified copies of the Company's Articles of Association and by-laws governing activities of the Company's bodies within 10 days of announcement of the voting results for the election of the Board of Directors.

In the event that there are any unimplemented resolutions of the General Shareholders Meeting, the members of the Board of Directors shall also be provided with certified extracts from minutes of the General Shareholders Meeting.

Each member of the Board of Directors shall have access to the information and documents related to operations of the Company and entities under its control, and may review all constituent, regulatory, accounting, reporting, contractual, and other documents of the Company and entities under its control.

The documents and information shall be provided to the member of the Board of Directors within seven (7) business days after being requested. Should the Company need a longer period of time to obtain the requested information and documents related to operations of the Company or entities under its control, the timeline for providing such information and documents shall be extended for as long as required for the Company, acting in good faith, to obtain them.

Should any documents requested by any member of the Board of Directors contain any confidential information, including that qualifying as a trade secret, this shall not prevent the Company from disclosing them to such member of the Board of Directors. The Company may request the member of the Board of Directors to sign a non-disclosure statement certifying such member's obligation to keep the information confidential.

The Company may not refuse to provide any requested information to the member of the Board of Directors by reason that it believes such information to be irrelevant to the agenda of the meeting or the remit of the Board of Directors.

14. FINAL PROVISIONS

Article 43. Validity

1. These Regulations shall become effective from the date of its approval by the General Shareholders Meeting.

2. In the event of discrepancy between any provisions of these Regulations and Russian laws and/or the Company's Articles of Association, the provisions of Russian laws and/or the Company's Articles of Association shall prevail. The invalidity of any provisions of these Regulations shall not affect the validity of the remaining provisions and the Regulations as a whole.

15. AMENDMENTS

No.	Document	Approval date	Approved by	Status
1	Regulations on the Board of Directors of Open Joint Stock Company Magnit	April 8, 2006	Minutes of the annual General Shareholders Meeting of OJSC Magnit w/o No. dated April 12, 2006	expired
2	Regulations on the Board of Directors of Open Joint Stock Company Magnit	June 24, 2010	Minutes of the annual General Shareholders Meeting of OJSC Magnit w/o No. dated June 28, 2010	expired
3	Regulations on the Board of Directors of Public Joint Stock Company Magnit	June 4, 2015	Minutes of the annual General Shareholders Meeting of PJSC Magnit w/o No. dated June 5, 2015	expired
4	Regulations on the Board of Directors of Public Joint Stock Company Magnit	June. 21, 2018	Minutes of the annual General Shareholders Meeting of PJSC Magnit w/o No. dated June 21, 2018	expired
5	Regulations on the Board of Directors of Public Joint Stock Company Magnit	December5, 2018	Minutes of the extraordinary General Shareholders Meeting of PJSC Magnit w/o No. dated December 6, 2018	expired
6	Amendments to the Regulations on the Board of Directors of Public Joint Stock Company Magnit	May 30, 2019	Minutes of the annual General Shareholders Meeting f PJSC Magnit w/o No. dated May 31, 2019	expired
7	Regulations on the Board of Directors of Public Joint Stock Company Magnit	June 10, 2021	Minutes of the annual General Shareholders Meeting of PJSC Magnit w/o No. dated June 11, 2021	in effect