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# LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE



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Nornickel is committed to continuous and consistent improvement of its corporate governance framework. Effective corporate governance is critical to enhancing the stability and efficiency of the Company's operations and competitive edge while boosting investments in the Russian economy from both domestic sources and foreign investors. This is why Nornickel maintains a strong focus on this aspect and fully complies with the majority of the corporate governance principles set forth in the Corporate Governance Code. The Company will continue to improve its corporate governance practice in line with the highest standards, guided primarily by the Corporate Governance Code recommended by the Bank of Russia.

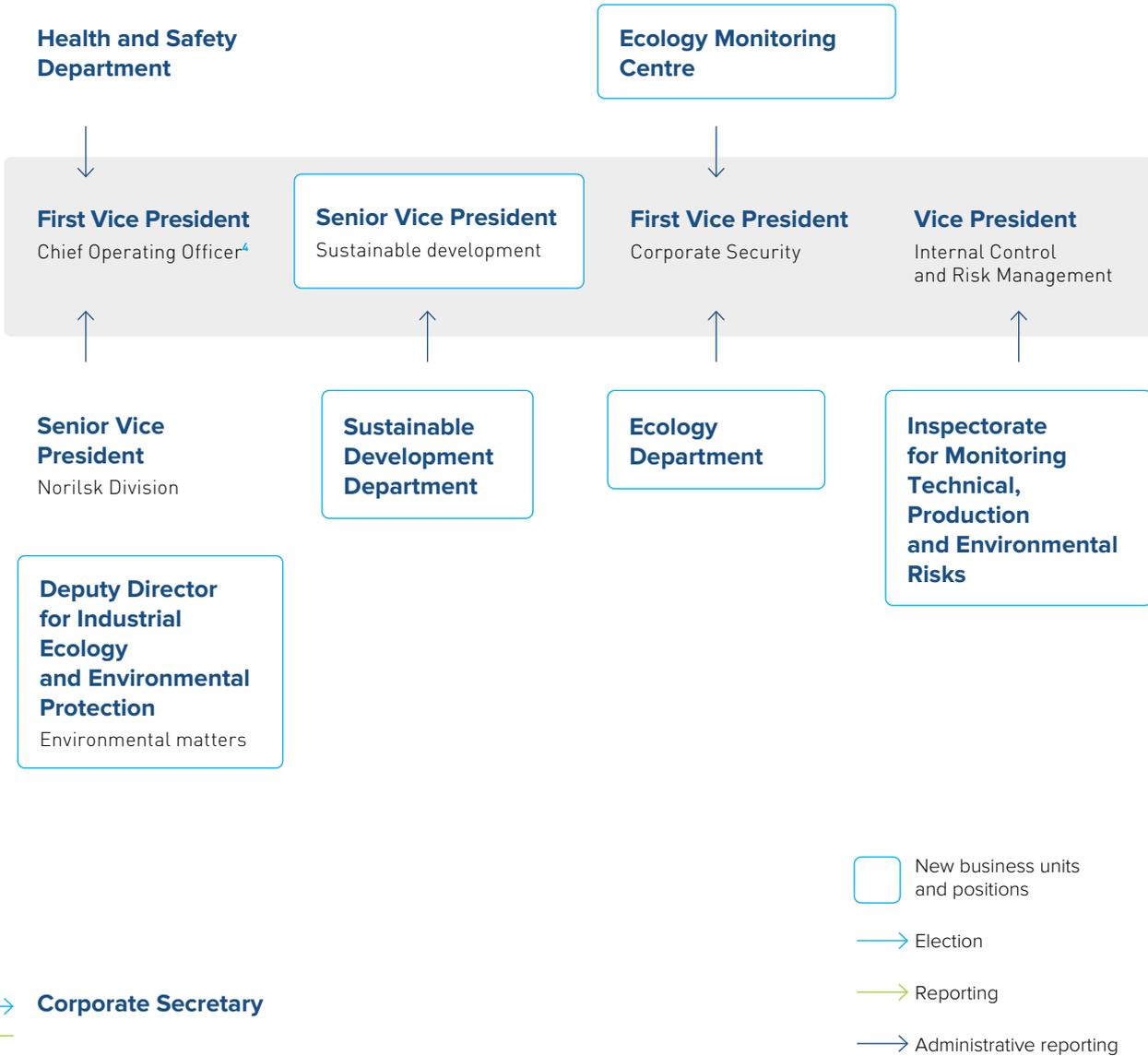
Although it was a difficult year for the Company and the country as a whole, in the reporting period, the Board of Directors addressed strategically important matters and placed a particular emphasis on enhancing corporate governance. The transformations and activities carried out during this challenging period enabled Nornickel to maintain its leadership in the Russian and global markets and retain its appeal to the investment community.

Being perfectly aware of the importance of its goals, in 2021, Nornickel will continue its best efforts to achieve them. By consolidating the experience of its employees, managers and shareholders the Company will be able to maintain high performance and confidently follow the path of development and success in the competitive environment.

**Robert Edwards**

Member of the Board of Directors, MMC Norilsk Nickel





<sup>4</sup> On 1 March 2021, the position of First Vice President – Operations Director was removed from the Company’s organisational structure, with Senior Vice President of the Norilsk Division now reporting directly to the Company’s President, while the Health and Safety Department became part of the Strategy, Strategic Projects, Logistics and Procurement function.

## KEY PRINCIPLES

In its corporate governance practice, Nornickel is governed by applicable laws, listing rules, and recommendations of the Corporate Governance Code. Nornickel's corporate governance framework is designed to balance the interests of our shareholders, the Board of Directors, management and employees, as well as other

stakeholders involved in Nornickel's activities. The approach, key principles and mechanisms underpinning Nornickel's efforts to build a robust corporate governance framework are based on the applicable Russian laws, including the Corporate Governance Code recommended by the Bank of Russia.

## IMPROVEMENT OF CORPORATE GOVERNANCE

During the year, Nornickel focused on improving corporate governance to enhance sustainability management efficiency. The Environmental Task Team was set up at the Board level, chaired by Gareth Penny, the independent Chairman of the Board of Directors, and is comprised solely of independent directors. The new team was set up primarily in response to the Board of Directors' desire to pay closer attention to sustainability in general, and environment in particular.

Significant organisational changes were made at the management level within the Company. Specifically, to improve the efficiency of risk management and supplement the existing system of industry committees, the new Risk Committee was set up, headed by the President of the Company. The creation of the Committee marked the completion of a vertical risk management structure fully penetrating the Company from the level of blue-collar workers to its President, Management Board and Board of Directors.

In addition, in 2020, the new Ecology Department and Inspectorate for Monitoring Technical, Production and Environmental Risks were established to better manage the risks of negative environmental impacts and enhance environment-related industrial safety. The new Ecology Monitoring Centre was established to set up an ecology monitoring system designed in line with best practices. The Ecology Department cooperates with all units across the Company, being responsible for implementing the strategy aimed at assessing environmental risks and minimising the Company's adverse environmental impacts, as well as restoring ecosystems in Nornickel's regions of operation.

Last year, a new position of Senior Vice President for Sustainable Development was created (filled by Andrei Bougrov), and the Sustainable Development Department was set up. The key tasks of the new department are to improve sustainability performance and coordinate the Company's units in order to bring internal processes and regulations in line with the best international standards, such as ICMM and IRMA. Senior Vice President for Sustainable Development will focus on relations with all stakeholders and support the Board of Directors' Environmental Task Team.

In 2021, senior management's KPIs will include the Zero Environmental Incidents indicator with a weight of 20% (within team KPIs) to ensure a clear link between the implementation of the Company's environmental strategic priorities and the level of remuneration.

In addition, new position of Vice President for Federal and Regional Programmes with the following responsibilities was introduced:

- Implementing programmes and interacting with federal and regional government authorities
- Representing the Company's interests in various collective bodies
- Developing strategic partnerships with regional governmental authorities, development institutions, Russian and international public organisations, environmental organisations and movements, in particular, with the objective of promoting sustainable development of Nornickel's regions of operation while implementing its Indigenous Rights and Biodiversity Conservation policies

### KEY CORPORATE GOVERNANCE PRINCIPLES



**Equitable and fair treatment of every shareholder**



**Corporate social responsibility**



**Ensuring transparency of information about the Company**



**Accountability of the Board of Directors and executive bodies**



**Professionalism and leadership of the Board of Directors**



**Effective risk management and internal control framework**



**Combating corruption**

In 2020, particular emphasis was placed on social matters. The Company did all that was necessary to minimise the impact of the pandemic on its employees, local communities, and vulnerable groups in its regions of operation. The Board of Directors supports the policy of providing assistance to Nornickel's regions of operation. Management initiatives aimed at assisting Nornickel's operating regions are regularly reviewed by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors.



An important initiative to improve corporate governance last year was the transformation of the governance framework into three divisions on a regional basis – Norilsk, Kola and Trans-Baikal. The three divisions combine the Company's main production and ancillary assets located in respective regions. In addition to the assets located on the Kola Peninsula, Norilsk Nickel Harjavalta plant became part of the Kola Division. The prerequisites of the transition to a division-based governance model were the centralisation of service functions in the Shared Services Centre, as well as the high level of maturity of the Company's business processes and the degree of their automation achieved by the management team in recent years.

The transition to a division-based structure is aimed at significantly increasing the level of responsibility of local managers as they are vested with more powers in operational and investment matters (asset-level investment limits not requiring the approval of the corporate centre were tripled) while maintaining the strategic and expert role of the corporate centre. The divisions will have comprehensive operational responsibility for their respective production processes and infrastructure facilities, as well as financial performance and risk management. This transition was an important expansion of the earlier set of measures based on an analysis of the causes of recent environmental incidents, and should help the Board of Directors manage matters relating to sustainability and the Company's strategy in a more efficient way.

As part of the efforts to improve the corporate governance framework in 2020, the Board of Directors also approved a new version of the Directors' Code of Corporate Conduct and Business Ethics.

The new version of the Code complies with best corporate governance practices, builds on the Company's values listed in the Manifesto of Our Values, updates the rules for insider information transactions in accordance with the new version of the Regulations on Procedures for Access to Insider Information of PJSC MMC NORILSK NICKEL, and Rules for Protection of Insider Information Confidentiality and Control over Compliance with the Requirements of Laws Related to Combating Insider Information Unlawful Use and Market Manipulation.

Despite the challenges faced by the Company in 2020, a smart strategy and an in-depth analysis of market developments helped propel Nornickel to an entirely new level of efficiency, reaffirming its status as one of the most compelling investment cases in Russia.

In 2020, Nornickel's investment-grade credit ratings were affirmed by the Big Three credit rating agencies: Standard & Poor's, Moody's and Fitch. Expert RA affirmed Nornickel's credit (financial stability) rating at the highest level according to the national rating scale (the Company has maintained its ruAAA credit rating, which corresponds to the sovereign credit rating of the Russian Federation, for three years running). Russian AK&M Rating Agency assigned a RESG 1 rating to Nornickel's sustainability reporting (which attests to the highest level of disclosure in ESG reporting). Nornickel was also able to improve its ESG score from international rating agencies; in particular, the ESG score assigned by S&P Global, one of the world's leading rating agencies, was up by 11 points to 44 (33 in 2019), and the Company's ESG score from FTSE4Goog was 4.0 (3.0 in 2019).

Nornickel was included in the Most Honored list of Institutional Investor's 2020 Emerging EMEA Executive Team ranking, in the metals and mining sector.

In 2020, the ranking is based on a survey of 226 investors (portfolio managers and analysts) as well as 159 brokerage and investment banking analysts. The following parameters were assessed: the management's willingness to interact with the investment community; timely and appropriate disclosure of financial information; prompt and comprehensive response to queries; a well-informed investor relations team authorised to speak with authority on behalf of the Company; constructiveness of conference calls; quality of meetings held as part of road shows, conferences, corporate documents and materials for investors; provision of analytical assessment and ESG reports; quality of the corporate website; and adherence to corporate governance standards. In addition, Nornickel topped the rating of Russian companies that provided the most comprehensive response to the pandemic.

Nornickel reiterates its commitment to further improvement of corporate governance in 2021 in order to boost the Company's operational efficiency and drive its competitive edge in the domestic and global markets. Priorities include improving sustainability management, reducing environmental risks and enhancing industrial safety, as well as countering the coronavirus pandemic and mitigating its impact on the Company and local communities. In 2021, the Company plans to get ready to join the ICMM international association and be certified under the IRMA standard, as well as start implementing the plan to ensure compliance with TCFD standards. On top of that, in 2021, environmental performance indicators will be included in senior management's KPIs to ensure a clear link between the implementation of the Company's strategic priorities and the level of remuneration.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Nornickel's corporate governance standards are based on the recommendations of the Corporate Governance Code, and the Company continues to implement the Code's principles and recommendations. Out of 79 principles of the Code, the Company fully complies with 61 (about 77%), partially complies with 17 and does not comply with only one principle. For the full 2020 Report on Compliance with the Corporate Governance Code with comments on cases of partial compliance and non-compliance with the Code's principles, please see Appendix 2.

In 2017, Nornickel prepared its inaugural Report on Compliance with the Corporate Governance Code using the report template recommended by the Bank of Russia's Letter No. IN-06-52/8.

The table below shows a significant improvement of the Company's compliance level since 2017 (61 principles are fully complied with versus 55 in 2017).

### IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE PRINCIPLES AND RECOMMENDATIONS (%)



Corporate governance principles	Number of principles recommended by the Code	2017			2018			2019			2020			
		Full compliance	Partial compliance	No compliance	Full compliance	Partial compliance	No compliance	Full compliance	Partial compliance	No compliance	Full compliance	Partial compliance	No compliance	
		55	22	2	59	19	1	61	17	1	61	17	1	
		100%	70%	28%	2%	7%	24%	1%	77%	22%	1%	77%	22%	1%
Rights and equal opportunities for shareholders in exercising their rights	13	12	1	–	12	1	–	12	1	–	12	1	–	
Board of Directors	36	24	11	1	27	9	–	27	9	–	27	9	–	
Corporate Secretary	2	2	–	–	2	–	–	2	–	–	2	–	–	
Remuneration system for members of the Board of Directors and senior management	10	3	6	1	4	5	1	4	5	1	4	5	1	
Risk management and internal control framework	6	4	2	–	4	2	–	6	–	–	6	–	–	
Company disclosures	7	7	–	–	7	–	–	7	–	–	7	–	–	
Material corporate actions	5	3	2	–	3	2	–	3	2	–	3	2	–	

■ Full compliance   
 ■ Partial compliance   
 ■ No compliance

## STAKEHOLDER RELATIONS

To achieve operational excellence and further improve corporate governance, Nornickel focuses on engaging its stakeholders in corporate governance, taking their needs into account when making important decisions.

## DIALOGUE WITH INVESTORS

Nornickel maintains an active dialogue with a wide universe of international and Russian investors, seeking to follow global best practices in making mandatory disclosures. To make disclosures more meaningful and comprehensive, Nornickel uses an array of disclosure tools, including press releases, presentations, annual and sustainability reports, corporate action notices, as well as interactive tools. With Nornickel's growth story appealing to both Russian and international investors, the Group provides parallel disclosure both in Russian and in English via a disclosure service authorised by the UK regulator.

Nornickel's quarterly disclosures via its website include its operating performance, quarterly issuer reports, financial statements under RAS, and lists of affiliates. Financial statements in accordance with IFRS are released on a semi-annual basis and are followed by webcasts and conference calls with the Group's senior management and one-on-one meetings with analysts. Nornickel also holds an annual Capital Markets Day to share its updates on the corporate long-term strategy until 2030, focusing on sustainability and environmental friendliness. To maintain strong investor relations, the Group makes extensive use of various communication tools, including conference speaking opportunities, road shows, site visits for investors, etc.<sup>1</sup>

In 2020, despite the pandemic, the Company continued to pursue an active dialogue with investors while striving to diversify its shareholder base. In March 2020, following the nationwide lockdown in Russia, all investor communications went online. For the first time, the Company held its

Capital Markets Day online, along with over 300 virtual meetings with investors and conference calls with the Company's senior management to discuss IFRS statements.

In its communications, Nornickel places a particular emphasis on environmental safety and sustainability. 2020 saw a major environmental incident: an accidental damage to a diesel fuel storage tank, caused by melting permafrost and design/construction flaws, resulted in a leak of 21 thousand t of diesel fuel in the Kayerkan District of Norilsk. The Company immediately responded with a major programme, implying active state and private partner engagement, to collect the fuel and clean up the area. Comprehensive real-time updates on the incident were published on the Company's website and in social media. In addition, an emergency conference call with investors and analysts was arranged at short notice. Nornickel did its best to clean up the site and prevent any such incidents in the future.

To improve its communication with investors who consider the Company's ESG ratings when making investment decisions, as well as with rating agencies that rate the Company on ESG factors, since 2020, Nornickel publishes all latest updates on its [ESG performance](#), in a new section on its website, ESG Highlights.

## DIALOGUE WITH EMPLOYEES

The Company regularly runs open online conferences between employees and senior management to identify strengths and weaknesses in communication and improve corporate governance. In 2020, more than 40 Nornickel enterprises held 1.5-hour live conferences where top managers spoke about the Company's future plans and development strategy, and answered the most pressing questions first-hand. Following the latest conference at the end of December, Nornickel issued a leaflet for employees covering such urgent matters as the pandemic and its impact on the Company,

the global economy, the environment and the accident at CHPP-3, as well as organisational changes.

A particular emphasis was placed on salaries and social benefits amid the lockdown; Nornickel's HR policy, which is traditionally employee-oriented; and measures to prevent the spread of coronavirus. The leaflet also details how the Company helps local communities in its operating regions, medical institutions and entrepreneurs in the Norilsk Industrial District, on the Taimyr Peninsula, in Monchegorsk and in the Pechenegsky District during the pandemic.

Over the past 3 years, 24 thousand employees participated in 120 conferences.

## DIALOGUE WITH LOCAL AND INTERNATIONAL ORGANISATIONS

In November 2020, Nornickel's representatives participated in the UN's online conference on transnational organised crime which brought together over 40 experts from two dozen countries. Nornickel's representative spoke about its new initiatives to be discussed with its partners at the Security Committee of the International Platinum Group Metals Association and within the scope of the Company's involvement in the Security Improvements through Research, Technology and Innovation (SIRIO) project of the United Nations Interregional Crime and Justice Research Institute (UNICRI).

Nornickel also became an official partner of the Arctic: Today and the Future forum, which in 2020 focused on uniting the efforts of the government, businesses and communities to tackle sustainability issues and implement national projects in the Arctic. The forum brought together representatives of Russian federal and regional executive authorities, member countries of the Arctic Council, leading Russian and international companies, as well as research, public and environmental organisations. Nornickel's representatives emphasised that developing the Russian Arctic is

<sup>1</sup> Information about upcoming events is posted in the IR Calendar on the corporate website.

a crucial strategic goal and that the only way to act in the most efficient way is to join the efforts of the government and large businesses.

A well-built and clear corporate governance framework which is transparent for both Russian and foreign shareholders and investors, as well as active stakeholder engagement directly affect investment decisions and the price of Company securities.

## MANAGING CONFLICTS OF INTEREST

Nornickel has developed measures to prevent potential conflicts of interest involving shareholders, Board members and senior managers.

The Company's Articles of Association set forth the procedure for approving transactions with a conflict of interest made by shareholders who hold more than 5% of voting shares. Such transactions are only made if approved by Nornickel's Board of Directors by a qualified majority of directors (at least 10 out of 13 votes).

Transactions with a conflict of interest that are deemed interested-party transactions are regulated by the law on joint stock companies.

In addition, Nornickel's internal documents stipulate that members of the Board of Directors and the Management Board are to refrain from actions that may result in a conflict of interests, and if such a conflict arises, they should promptly inform the Corporate Secretary in writing thereof.

If a Board member has a direct or indirect personal interest in a matter reviewed by the Board of Directors, they should inform other members of the Board of Directors before the matter is reviewed or a relevant resolution is passed, and refrain from participating in the review and from voting on the matter.

Nornickel also has in place the Regulations on the Prevention and Management of Conflicts of Interest, covering the Company employees, that outlines, in particular, the methods to identify potential or existing conflicts of interest and ways to resolve them. A Conflict of Interest Commission was set up at the Company's Head Office to enhance the effectiveness of preventing, identifying and resolving conflicts of interest, as well as to develop and improve the corporate culture.

# GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the supreme governance body of MMC Norilsk Nickel responsible for making decisions on matters most crucial to the Company. A full list of matters within the remit of the General Meeting of Shareholders is detailed in the Company's [Articles of Association](#). Nornickel has in place the [Regulations on the General Meeting of Shareholders](#), detailing the procedures for convening, preparing and holding general meetings.

The notice of a General Meeting of Shareholders is published in the Rossiyskaya Gazeta and Taimyr newspapers, and posted on Nornickel's website at least 30 calendar days prior to the date of the general meeting.

**Holders of MMC Norilsk Nickel shares who are registered in the shareholder register** receive a ballot directly from the Company and are entitled to exercise their voting right by sending the ballot to the Company or by attending the General Meeting of Shareholders (in person or by proxy).

**Shareholders of MMC Norilsk Nickel who own the Company shares via nominee holders** receive the voting ballot from the nominee holder. They are entitled to vote at the meeting in the same way as the holders registered in the shareholder register or instruct the nominee holder to do the same as prescribed by the Russian securities law. Nominee holders duly instructed by their clients communicate the voting instructions to the registrar. The receipt of instructions by the registrar shall be equivalent to voting by ballot.

**ADR holders** do not receive voting ballots directly from the Company. According to the depository agreement, Nor Nickel notifies the depository, which as soon as possible, and provided it is not prohibited by the Russian law, notifies ADR holders about the general meeting and encloses voting materials and a document describing the voting procedure for ADR holders. To exercise their voting rights, ADR holders instruct the depository accordingly.

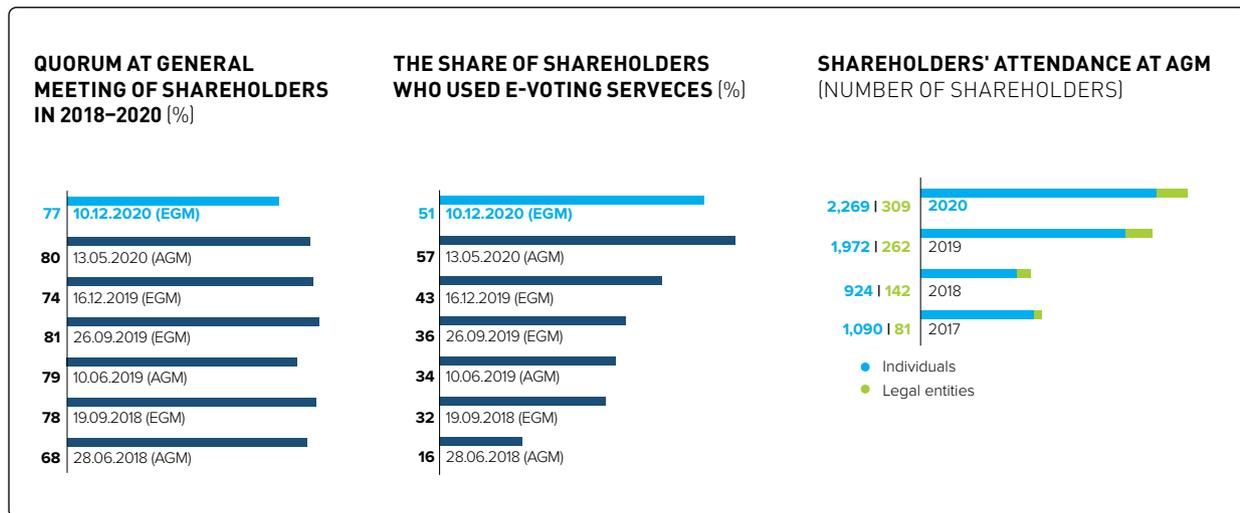
Except for the cumulative voting to elect members of the Board of Directors, each voting share represents one vote at the General Meeting of Shareholders.

Two General Meetings of Shareholders were held in 2020, and a high level of shareholders' attendance was maintained. The Annual General Meeting of Shareholders during the COVID-19 pandemic was held in absentia using an e-voting service.

Each year, more and more shareholders take advantage of this service enabling them to vote regardless of their location. E-voting is available both on the gosuslugi.ru website accessible to general public and via the Shareholder's Personal Account, a dedicated online resource for Nor Nickel's shareholders. The service is highly reliable and easy to use.

**GENERAL MEETINGS OF SHAREHOLDERS HELD IN 2020**

<p>13 May 2020 – an Annual General Meeting of Shareholders (held in absentia)</p>	<p>The Meeting approved the Annual Report, annual accounting (financial) statements and consolidated financial statements. Profit for the period was distributed, and the resolution on FY 2019 dividend payout was passed.</p> <p>A new Board of Directors and Audit Commission were elected; resolutions on remuneration of members of the Board of Directors and the Audit Commission were passed. A new version of the Remuneration Policy for Members of the Board of Directors of MMC Norilsk Nickel was approved.</p> <p>An interested party transaction (liability insurance of members of the Board of Directors and the Management Board) and related interested party transactions (indemnification of members of the Board of Directors and the Management Board) were approved. The auditor was approved to audit Nor Nickel's Russian accounting (financial) statements, consolidated financial statements, and interim consolidated financial statements.</p>
<p>10 December 2020 – an Extraordinary General Meeting of Shareholders (held in absentia)</p>	<p>A resolution to pay the 9M 2020 dividend was passed</p>



# BOARD OF DIRECTORS

## COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors plays a crucial role in designing and developing the corporate governance framework, ensures the protection and exercise of shareholder rights, and supervises executive bodies. Guided by the principles of mutual respect and humanism, the Board of Directors sets the fundamental principles of business conduct and is responsible for nurturing Nornickel's business and social culture.

The Board's authority and formation process, as well as the procedure for convening and holding Board meetings are determined by the [Articles of Association](#) and [Regulations on the Board of Directors](#)

According to Nornickel's Articles of Association, the Board of Directors has 13 members. Members of the Board are elected at the Annual General Meeting of Shareholders for a period until the next Annual General Meeting of Shareholders. The current size of the Board of Directors is best aligned with Nornickel's goals and objectives, and its appropriate independence mix ensures that decision making considers the interests of all stakeholders and enhances the quality of managerial decisions. The current Board of Directors comprises six independent directors, which enables highly professional, independent judgements on matters on the agenda.

Following the Annual General Meeting of Shareholders on 13 May 2020, Andrei Bougrov and Stalbek Mishakov stepped down from the Board of Directors, and Nikolay Abramov and Sergey Batekhin were elected to the Board.

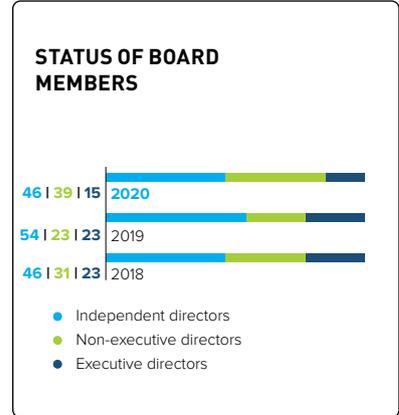
As at 31 December 2020, the Board of Directors had 13 members, of which:

- six independent directors: Gareth Peter Penny, ■■■■■■■■, Sergey Volk, Roger Munnings, Evgeny Shvarts, and Robert Edwards
- five non-executive directors: Nikolay Abramov, Alexey Bashkirov, Sergey Batekhin, Maxim Poletaev, and Vyacheslav Solomin
- two executive directors: Sergey Barbashev and Marianna Zakharova.

### CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of Nornickel's Board of Directors leads the Board of Directors, convenes and chairs its meetings, ensures constructive collaboration between the Board members and corporate management.

Since March 2013, the Board of Directors has been chaired by Gareth Peter Penny, who in line with global best



practice is an independent director. At Gareth Penny's initiative, in June 2020, the Board of Directors set up an Environmental Task Team to review a wide range of matters relating to the Company's sustainable development, including the climate agenda. Gareth Penny promotes open discussion at meetings and encourages active involvement of all Board members. Gareth Penny's external non-executive directorships enable Nornickel's Board of Directors to better keep abreast of global best practice in corporate governance.



## INDEPENDENT DIRECTORS

In line with corporate governance best practice, Nornickel’s Board of Directors assesses Board nominees and new members against the independence criteria set forth in the Company’s Articles of Association and the Listing Rules of PJSC Moscow Exchange (the “independence criteria”).

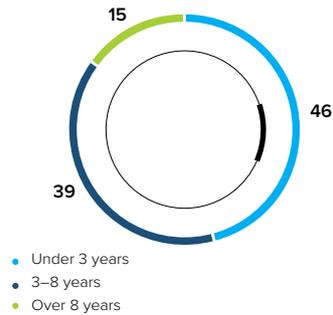
As at the beginning of the reporting year, ■■■■■■■■, Roger Munnings, Gareth Peter Penny, Robert Edwards and Evgeny Shvarts fully met the independence criteria. Members of the Board of Directors Sergey Volk and Maxim Poletaev were determined to be independent by resolution of the Board of Directors despite being related to a substantial counterparty, Sberbank, as the relation does not affect their ability to make independent, unbiased judgements in good faith.

In March 2020, ■■■■■■■■ and Gareth Peter Penny’s tenures on the Board of Directors exceeded

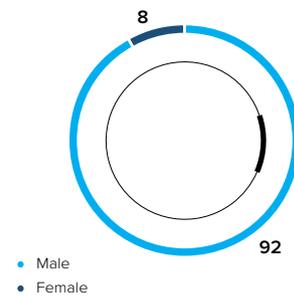
seven years, and upon assessing their independence, the Board of Directors deemed them independent despite their relation to Nornickel.

The new Board of Directors elected by the Annual General Meeting of Shareholders assessed the elected Board members against the independence criteria and determined that Roger Munnings and Evgeny Shvarts meet the criteria, and Gareth Peter Penny, ■■■■■■■■, Robert Edwards and Sergey Volk are independent despite being related to Nornickel (Gareth Peter Penny, ■■■■■■■■ and Robert Edwards – due to their tenure on the Board over seven years) or a substantial counterparty (Sergey Volk) as it does not affect their ability to make independent, unbiased judgements in good faith. Thus, as at end-2020, 6 out of the 13 Directors, or 46.2%, were independent.

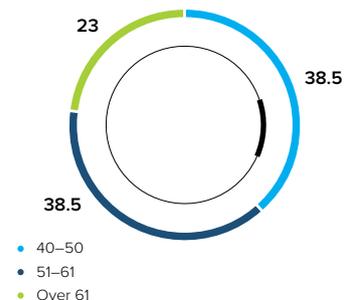
TENURE ON THE BOD (%)



BOARD COMPOSITION BY GENDER (%)



BOARD COMPOSITION BY AGE GROUP (%)



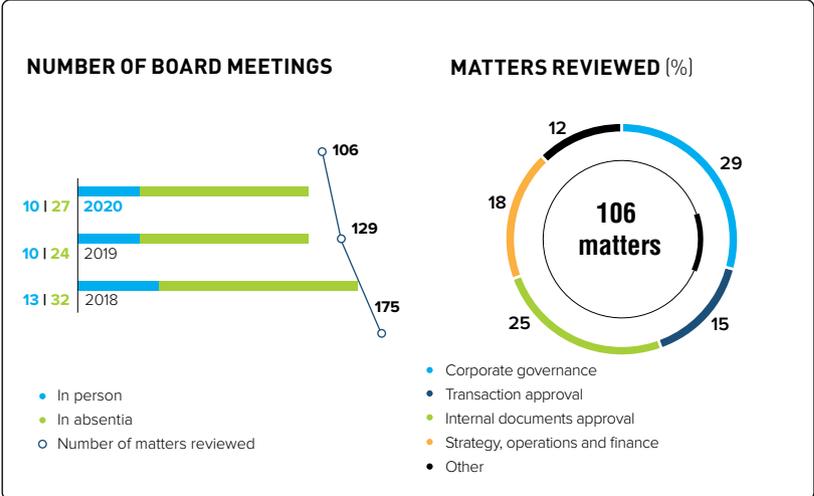
**THE BOARD'S EXPERIENCE AND SKILL MIX**

Name	Tenure on the Board of Directors	Key skills				
		Strategy	Law and corporate governance	Finance and audit	Metals and mining/engineering	International economic relations
Gareth Peter Penny	2013–present	+			+	+
Sergey Barbashev	2011–present		+			
Alexey Bashkirov	2013–present	+	+	+		+
••••••••	2013–present	+	+	+	+	
Sergey Volk	2019–present			+		
Marianna Zakharova	2010–present		+		+	
Roger Munnings	2018–present			+	+	
Maxim Poletaev	2019–present	+		+		
Vyacheslav Solomin	2019–present			+		+
Evgeny Shvarts	2019–present	+			+	
Robert Edwards	2013–present		+	+	+	
Nikolay Abramov (from 13 May 2020)	2020–present	+				
<b>As at 31 December 2020, the average tenure on the Board of Directors was five years</b>		<b>5</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>5</b>
Sergey Batekhin (from 13 May 2020)	2020–present			+		+
Andrei Bougrov (until 13 May 2020)	2002–2020		+		+	+
Stalbek Mishakov (until 13 May 2020)	2012–2020		+	+	+	+

**BOARD OF DIRECTORS' PERFORMANCE**

In 2020, Nornickel's Board of Directors held 37 meetings, including 10 meetings in person, and reviewed 106 matters.

At its meetings, the Board focused on environment matters, including regular management reports on the progress of eliminating the consequences of the incident at CHPP No. 3 in Norilsk, analysis of Nornickel's environmental protection strategy, including the Sulphur Programme, assessment of the infrastructure, and the impact of climate factors, such as permafrost, on the Company's operations. Particular attention was paid to stakeholder engagement on ESG matters and review of the Company's internal control and risk management frameworks critical for the Company's sustainability.



**ATTENDANCE AT MEETINGS IN 2020<sup>1</sup>**

In 2020, attendance at Board meetings was 100%.

Name	Status	Meetings of the Board of Directors attended/held			Meetings of Board committees attended/held			
		Total	In person	In absentia	Strategy Committee	Budget Committee	Audit and Sustainable Development Committee	Corporate Governance, Nomination and Remuneration Committee
Gareth Peter Penny	Independent Director/Chairman of the Board of Directors	37/37	10/10	27/27	8/8	—	—	—
Sergey Barbashev	Executive Director	37/37	10/10	27/27	—	—	—	—
Alexey Bashkirov	Non-Executive Director	37/37	10/10	27/27	2/8	1/4	5/9	4/13
••••••••	Independent Director	37/37	10/10	27/27	8/8	4/4	9/9	13/13
Sergey Volk	Independent Director	37/37	10/10	27/27	—	1/4	—	9/13
Marianna Zakharova	Executive Director	37/37	10/10	27/27	—	—	—	—
Roger Munnings	Independent Director/Chairman of the Audit and Sustainable Development Committee	37/37	10/10	27/27	—	4/4	9/9	—
Maxim Poletaev	Non-Executive Director/Chairman of the Strategy Committee	37/37	10/10	27/27	8/8	3/4	—	4/13
Vyacheslav Solomin	Non-Executive Director	37/37	10/10	27/27	—	3/4	9/9	—
Evgeny Shvarts	Independent Director	37/37	10/10	27/27	2/8	—	—	9/13
Robert Edwards	Independent Director/Chairman of the Corporate Governance, Nomination and Remuneration Committee	37/37	10/10	27/27	—	—	9/9	13/13
Nikolay Abramov (from 13 May 2020)	Non-Executive Director	25/37	9/10	16/27	6/8	—	—	—
Sergey Batekhin (from 13 May 2020)	Non-Executive Director/Chairman of the Budget Committee	25/37	9/10	16/27	6/8	3/4	4/9	9/13
Andrei Bougrov (until 13 May 2020)	Executive Director	12/37	1/10	11/27	—	—	—	—
Stalbek Mishakov (until 13 May 2020)	Non-Executive Director	12/37	1/10	11/27	—	1/4	—	4/13

<sup>1</sup> The attendance by Board members is represented as X/Y, where X is the number of meetings attended by the Director, and Y is the number of meetings held.

## INDUCTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS

Nornickel has in place the [the Professional Development Policy for Members of Board of Directors](#). To comply with the Policy's requirements as well as to maintain good governance at Nornickel and ensure its continuous improvement, newly elected Board members get immersed into the business processes through a series of meetings with executives and key employees where they discuss key aspects of Nornickel's business, and the Corporate Secretary ensures that new directors get acquainted with the requirements of Nornickel's current internal documents. Board members are informed about their rights and duties, including the requirement to notify the Company on changes in their status. Company employees attend the insider information management training course each year. The Company arranges regular off-site sessions for members of the Board of Director to make site visits to production facilities and meet with heads of operating units. In September 2020, an off-site session was arranged for several Board members to visit Kola MMC. Due to the COVID-19 pandemic, no other off-site events were held but regular video calls made up for cancelled visits. In 2021, members of the Board of Directors plan a number of site visits to Nornickel's production facilities as soon as the situation allows.

## PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

As recommended by the Corporate Governance Code, the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors initiated the development of the Performance Evaluation Policy for Board of Directors, engaging independent consultants and incorporating global best practice in corporate governance. In line with the Policy, since 2014, Nornickel has run annual internal evaluation (self-evaluation) of the Board of Directors' performance

by inviting Directors to fill in an online questionnaire following the schedule approved by the Board of Directors.

Based on the evaluation results, the Corporate Governance, Nomination and Remuneration Committee prepares a statement (report) on the Board of Directors' performance in the reporting year and makes improvement recommendations for areas where the Board scores were below average. The Report is approved by Nornickel's Board of Directors taking into account the recommendations of the Corporate Governance, Nomination and Remuneration Committee. The recommendations are communicated to all stakeholders.

In line with the recommendations given by the Corporate Governance, Nomination and Remuneration Committee following the 2019 performance evaluation, in 2020, the Board of Directors and the Company's management focused on improving the performance of the functions with scores below average. Specifically, in 2020, the Internal Dynamics indicator was improved compared to 2019 as a result of more efficient interaction between major shareholders, the management and key stakeholders achieved by holding meetings with institutional investors, preparing interim reports, informing the investment community on latest operating and financial results, and disclosing key aspects of the Company's development with a particular focus on sustainability and environment. The improvement in the Involvement in the Company's Development Strategy indicator in 2020 was driven by efficient interaction between the marketing committee and members of the Board of Directors supported by providing regular updates to the Board of Directors on the Company's sales performance. The Strategy Committee reviewed matters related to the market situation, the development status of the sales strategy and sales of non-key metals, as well as major investments. The positive dynamics in the performance evaluation of the Corporate Governance, Nomination and Remuneration Committee resulted from efficient

interaction with other committees and the Company's management to consider stakeholder opinions and interests in decision making. During the year, the Corporate Governance, Nomination and Remuneration Committee continued reviewing human capital development and staff motivation matters. The Committee annually reviews the implementation status of the Policy of Non-Monetary Incentives for Nornickel Employees (including the Our Home and My Home programmes), remuneration of key employees of the Company, members of the Board of Directors and Audit Commission.

The internal performance evaluation of the Board of Directors in 2020 was carried out by the Corporate Governance, Nomination and Remuneration Committee in line with the resolution of the Board of Directors dated 4 February 2021. Following the approved schedule, Directors were surveyed between 8 and 25 February 2021 in accordance with the current Performance Evaluation Policy for the Board of Directors. All 13 members of the Board of Directors took part in the survey.

The Corporate Governance, Nomination and Remuneration Committee analysed the results of the Board of Directors' performance self-evaluation and concluded the following:

- The current composition of the Board of Directors is well-balanced in terms of directors' qualifications, experience, and business skills. The qualitative and quantitative composition of the Board of Directors meets the Company's needs and shareholder interests
- The composition of the Board committees is aligned with the Company's goals and objectives; there is no need to set up additional Board committees
- The Chairman of the Board of Directors organises the Board of Directors' activities in the most efficient way, ensures its communication with other bodies of the Company, and facilitates the best performance of assigned duties

The Corporate Governance, Nomination and Remuneration Committee used the self-evaluation results to develop recommendations to the Board of Directors for further improvement:

- Maintain the practice of regularly informing the Board of Directors about key trends and problems in the markets in which the Company operates
- Continue reviewing matters relating to implementation of major investment projects
- Hold regular meetings between Board members and the President of the Company, informal meetings between Board members and senior management
- For the Company's management and the Corporate Governance, Nomination and Remuneration Committee – assess the need to develop and apply new tools to analyse the existing corporate governance framework

- Expand the practice of reviewing human capital development and staff motivation matters at meeting of the Corporate Governance, Nomination and Remuneration Committee

At its meeting on 9 April 2021, the Board of Directors reviewed the Report on the Internal Performance Evaluation of the Board of Directors in 2020 and the recommendations of the Corporate Governance, Nomination and Remuneration Committee, and acknowledged that the Board of Directors and its committees, as well as the Board Chairman and the Corporate Secretary discharged their duties effectively. The Board of Directors will incorporate the recommendations of the Corporate

Governance, Nomination and Remuneration Committee in its work in 2021.

In line with corporate governance best practice, the Board of Directors will continue performing an independent expert to evaluate its performance at least once every three years. The next external evaluation will cover the Board's performance in 2021, as the last one covered its 2018 performance (for more details, please see [the 2018 Annual Report](#)).

## BIOGRAPHICAL DETAILS OF BOARD MEMBERS<sup>1</sup>

Biographical details of previous members of the Board of Directors are available in the [2019 Annual Report](#).



**Gareth Peter Penny**

Chairman of the Board of Directors since 2013 (Independent Director), member of the Strategy Committee

**Born in:** 1962

**Nationality:** UK

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education:**

Diocesan College (Bishops) (Cape Town, South Africa)

Eton College (UK)

Rhodes Scholar, Master in Philosophy, Politics and Economics, University of Oxford (UK)

**Experience in the last five years**

**2019–present:** non-executive Chairman of the Board of Directors of Ninety One plc and Ninety One Ltd

**2017–present:** member of the Board of Directors of Amulet Diamond Corp.

**2017–2020:** non-executive Chairman of the Board of Directors of Edcon Holdings Limited

**2016–2018:** non-executive Chairman of the Board of Directors of Pangolin Diamonds Corp.

**2012–2016:** member of the Board of Directors of OKD

**2012–2016:** executive Chairman at New World Resources Plc, executive director at New World Resources N.V.

**2007–2019:** non-executive director at Julius Baer Group Ltd

<sup>1</sup> Positions are indicated as at the end of 2019.



**Nikolay Abramov**

Member of the Board of Directors since 2020 (Non-Executive Director), Member of the Strategy Committee

**Born in:** 1946

**Nationality:** Russian Federation

**Shareholding:** 0.000667%

Made no transactions with shares in MMC Norilsk Nickel in the reporting year

**Education:**

Degree in Chemical Technology of Solid Fuel, Donetsk National Technical University

**Experience in the last five years**

**2020–present:** team leader at JSC RUSAL Management

**2017–present:** member of the Board of Directors of Seligdar

**2005–2019:** CEO of Interregional Centre for Energy Saving Technologies



**Sergey Batekhin**

Deputy Chairman of the Board of Directors since 2020 (Non-Executive Director)

**Born in:** 1965

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education**

Major in Foreign Languages (military and political translation), Krasnoznamenny Military Institute of the Ministry of Defence of the USSR

Degree in Finance and Credit, Plekhanov Russian Academy of Economics

Master of Business Administration, PhD in Economics, Moscow International Higher School of Business MIRBIS

Speaks French, German, English and Italian

**Experience in the last five years**

**2020–present:** Chairman of the Supervisory Board of the Digital Capital

**2020–present:** member of the Board of Trustees of the Vladimir Potanin Foundation

**2020–present:** CEO, Chairman of the Management Board of Interros Holding Company

**2019–present:** member of the Board of Directors of Jokerit Hockey Club Oy

**2019–present:** Chairman of the Presidium of the Night Hockey League non-profit amateur hockey foundation

**2018–present:** member of the Board of Directors of LLC Kontinental Hockey League

**2013–2020** – member of the Management Board (2013–2020), Vice President (2015–2016), Senior Vice President – Head of Sales, Commerce and Logistics (2016–2018), Senior Vice President – Head of Sales, Procurement and Innovation (2018–2020) at MMC Norilsk Nickel



### Sergey Barbashev

Member of the Board of Directors since 2011 (Executive Director)

**Born in:** 1962

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

#### Education

Degree in Law, Moscow Higher School of Militia of the Ministry of Internal Affairs of the USSR

#### Experience in the last five years

**2018–present:** member of the Management Board, First Vice President – Head of Corporate Security at MMC Norilsk Nickel

**2016–present:** member of the Board of Endowment Fund for Education, Science and Culture

**2016–2018:** Director at Olderfrey Holdings Limited

**2015–2018:** Branch Director at Olderfrey Holdings Ltd

**2011–2019:** Chairman of the Board of Directors of Rosa Khutor Ski Resort Development Company

**2008–present:** member of the Board of the Vladimir Potanin Foundation

**2008–2018:** CEO, Chairman of the Management Board of Interros Holding Company



### Alexey Bashkirov

Member of the Board of Directors since 2013 (Non-Executive Director)

**Born in:** 1977

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

#### Education

Degree in International Economic Relations, Moscow State Institute of International Relations (MGIMO University)

#### Experience in the last five years

**2020:** member of the Management Board, Senior Vice President – Head of Commerce, Business Development, Investor and Public Relations at MMC Norilsk Nickel

**2016–present:** CEO of Translaininvest

**2016–present:** Managing Director at Winter Capital Advisors

**2016–2018:** member of the Board of Directors of iGlass Technology Inc

**2016–present:** member of the Board of Trustees of the Night Hockey League non-profit amateur hockey foundation

**2014–present:** member of the boards of directors of NPO Petrovax Pharm and Hoym Market (before – Zaodno)

**2009–present:** executive director, Director of the Investment Department (2009–2015), Deputy Chief Investment Officer (2009–2018), member of the Management Board (2011–2018), CEO and Chairman of the Management Board (2018–2020) at Interros Holding Company



**Sergey Volk**

Member of the Board of Directors since 2019 (Independent Director), member of the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors

**Born in:** 1969

**Nationality:** Ukraine

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education**

Master of Business Administration (majoring in Finance), University of Texas at Austin (USA)

**Experience in the last five years**

**2019–present:** member of the Board of Directors of Fortenova grupa d.d. (Zagreb, Croatia)

**2018–present:** member of the Supervisory Board of Mercator d.d. (Ljubljana, Slovenia)

**2016–present:** senior banker at Sberbank

**2013–2016:** consulting specialist, business management consultant



### Marianna Zakharova

Member of the Board of Directors since 2010 (Executive Director), Member of the Management Board since 2016

**Born in:** 1976

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education**

Master in Law, Peoples' Friendship University of Russia (RUDN)

**Experience in the last five years**

**2020–present:** member of the Board of Trustees of the Vladimir Potanin Foundation

**2015–present:** First Vice President – Head of Corporate Governance, Asset Management and Legal Affairs at MMC Norilsk Nickel



### Roger Llewelyn Munnings

Member of the Board of Directors since 2018 (Independent Director), Chairman of the Audit and Sustainable Development Committee, member of the Budget Committee

**Born in:** 1950

**Nationality:** UK

**Education**

Master in Politics, Philosophy and Economics (Hons), University of Oxford (UK)

Fellow of the Institute of Chartered Accountants in England and Wales

**Experience in the last five years**

**2020–present:** member of the Board of Directors of the Royal Welsh College of Music & Drama

**2017–present:** Director of 3 Lansdown Crescent Limited

**2017–present:** member of the Council of National Representatives (UK) at the Association of European Businesses in Russia

**2015–present:** member of the Board of Directors of LUKOIL

**2013–present:** member of the Board of Trustees of International Business Leaders Forum

**2013–present:** trustee at Kino Klassika Foundation

**2013–present:** member of the National Council on Corporate Governance non-profit partnership

**2010–present:** member of the Board of Directors of Sistema

**2010–2016:** member of the Board of Directors of Wadswick Energy Limited

**2009–2016:** trustee at the John Smith Trust

**2003–present:** member of the Board of Directors, Chairman of the Board of Directors of the Russo-British Chamber of Commerce



**Maxim Poletaev**

Member of the Board of Directors since 2019 (Non-Executive Director), Chairman of the Strategy Committee of the Board of Directors, member of the Budget Committee of the Board of Directors

**Born in:** 1971

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education**

Degree in Accounting and Business Analysis, P. G. Demidov Yaroslavl State University

**Experience in the last five years**

**2020–present:** Deputy CEO of RUSAL

**2019–2020:** member of the Board of Directors of United Company RUSAL Plc

**2019–present:** Chairman of the Board of Directors of Fortenova grupa d.d. (Zagreb, Croatia)

**2018–present:** advisor to the President of Sberbank

**2013–2018:** First Deputy Chairman of the Management Board of Sberbank



**Vyacheslav Solomin**

Member of the Board of Directors since 2019 (Non-Executive Director), member of the Audit and Sustainable Development Committee of the Board of Directors, member of the Budget Committee of the Board of Directors

**Born in:** 1975

**Nationality:** Russian Federation

**Education**

Degree in International Economics, Far Eastern Federal University

**Experience in the last five years**

**2020–present:** Executive Director, deputy CEO – COO of En+ Holding (2015–2020: Director)

**2018–present:** director, member of Board of Directors of UC RUSAL, IPJSC (until 25 September 2020 – United Company RUSAL Plc)

**2018–2020:** executive director at En+ Management

**2014–2018:** CEO of EuroSibEnerg

**2011–present:** director at YES Energo Limited



### Evgeny Shvarts

Member of the Board of Directors since 2019 (Independent Director), member of the Strategy Committee of the Board of Directors

**Born in:** 1958

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

#### Education

Degree in Biology/Zoology and Botany, Lomonosov Moscow State University  
Candidate of Geographical Sciences (Biogeography and Soil Geography), Institute of Geography, Academy of Sciences of the Soviet Union  
Doctor of Geographical Sciences (Geoecology), Institute of Geography, Russian Academy of Sciences

#### Experience in the last five years

**2020–present:** leading researcher at the Department of Physical Geography and Environmental Management Problems of the Institute of Geography, Russian Academy of Sciences

**2020–present:** member of the Board of Directors of UC RUSAL, IPJSC (until 25 September 2020 – United Company RUSAL Plc)

**2007–2019:** director for Conservation Policy at the World Wide Fund for Nature

**1993–present:** member of the Board of the Biodiversity Conservation Centre charitable foundation



### Robert Edwards

Member of the Board of Directors since 2013 (Independent Director), Chairman of the Corporate Governance, Nomination and Remuneration Committee, member of the Audit and Sustainable Development Committee

**Born in:** 1966

**Nationality:** UK

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

#### Education

Degree in Mining Engineering, Camborne School of Mines (UK)

#### Experience in the last five years

**2018–present:** member of the Board of Directors of Scriptfert New Zealand Ltd

**2018–present:** member of the Board of Directors of Chaarat Gold Holdings Limited

**2016:** non-executive Chairman of the Board of Directors of Sierra Rutile Limited

**2014–2018:** non-executive member of the Board of Directors of GB Minerals Ltd

**2013–present:** head of Highcross Resources Ltd

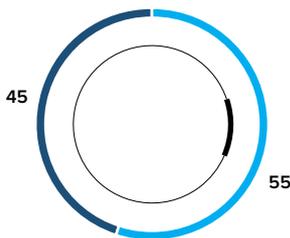
# BOARD COMMITTEES

## AUDIT AND SUSTAINABLE DEVELOPMENT COMMITTEE

Committees established by Nornickel's Board of Directors are responsible for preliminary review of critical matters and making recommendations to the Board of Directors. To discharge their responsibilities in the most effective way, the committees may consult Nornickel's governance bodies and seek opinions from independent external consultants. Nornickel has four Board committees, each comprised of five members:

- Strategy Committee (five members, including two independent directors (40%) and three non-executive directors)
- Audit and Sustainable Development Committee (five members, including three independent directors (60%) and two non-executive directors)
- Budget Committee (five members, including two independent directors (40%) and three non-executive directors)
- Corporate Governance, Nomination and Remuneration Committee (five members, including four independent directors (80%) and one non-executive director)

### SHARE OF INDEPENDENT DIRECTORS ON THE BOARD COMMITTEES (%)



- Independent directors
- Non-executive directors

## MEMBERS OF THE AUDIT AND SUSTAINABLE DEVELOPMENT COMMITTEE

Committee members before the Annual General Meeting of Shareholders (13 May 2020)	Committee members after the Annual General Meeting of Shareholders (13 May 2020)
Roger Munnings (Chairman, Independent Director)	Roger Munnings (Chairman, Independent Director)
Alexey Bashkirov ■■■■■■■■ (Independent Director)	Vyacheslav Solomin ■■■■■■■■ (Independent Director)
Vyacheslav Solomin	Sergey Batekhin
Robert Edwards (Independent Director)	Robert Edwards (Independent Director)

Members of the Audit and Sustainable Development Committee are appointed by the Board of Directors. In accordance with the Terms of Reference of the Audit and Sustainable Development Committee of the Board of Directors, the Committee has five members, all of them independent directors. If it is reasonably impracticable to meet the above requirement, independent directors should make up the majority of Committee members, while the remaining Committee members may include members of the Board of Directors, except for the Company's CEO and/or members of its Management Board. Only an independent director may chair the Committee.

In accordance with its Terms of Reference, the current Audit and Sustainable Development Committee is made up of five directors, three of whom are independent directors, including its Chairman (i.e. 60% of the Committee members are

independent directors). On average, Committee members have more than 10 years of experience in finance.

In 2020, the Committee held nine meetings, including six in person, and three in absentia.

The Committee discharges its responsibilities by overseeing:

- financial reporting
- risk management and internal controls
- external and internal audit
- prevention of wrongdoing by Nornickel employees and third parties
- HSE matters.

The Audit and Sustainable Development Committee plays an important role in enabling controls and accountability, and has become an effective interface between the Board of Directors, Audit Commission, independent auditor, Internal Audit Department, and management of Nornickel.

During 2020, the Audit and Sustainable Development Committee prepared for the Board of Directors a number of recommendations on the accuracy, completeness and reliability of Nornickel's financial statements, as well as on HSE matters, and approval of the Company's auditors. The Committee also reviewed the results of audit reports by the Internal Audit Department and Internal Control Department and considered them when reviewing the 2019 Sustainability Report, report by Nornickel's management on COVID-related spending, Report on Improvements to Procurement, and Corporate Risk Appetite Statement for 2020.

In 2020, the Audit and Sustainable Development Committee of the Board of Directors:

- reviewed the annual audit plan and internal audit development plans
- reviewed bonus-related performance targets (KPI scorecards) of the Internal Audit Department Director
- discussed the results of completed audits, including gaps identified and remedial actions designed by management to improve internal controls and minimise risks.

## STRATEGY COMMITTEE

Members of the Committee are appointed by the Board of Directors. In accordance with the Terms of Reference of the Strategy Committee of the Board of Directors, the Committee has five members, all of them non-executive directors. At least one Committee member must be an independent director. The Committee Chair may serve on other Board committees, but may not chair more than two committees at a time.

## MEMBERS OF THE STRATEGY COMMITTEE

Committee members before the Annual General Meeting of Shareholders (13 May 2020)	Committee members after the Annual General Meeting of Shareholders (13 May 2020)
Maxim Poletaev (Chairman)	Maxim Poletaev (Chairman)
Alexey Bashkirov	Sergey Batekhin
■■■■■■■ (Independent Director)	■■■■■■■ (Independent Director)
Evgeny Shvarts (Independent Director)	Nikolay Abramov
Gareth Peter Penny (Independent Director)	Gareth Peter Penny (Independent Director)

In accordance with its Terms of Reference, the current Strategy Committee is made up of five directors, two of whom are independent directors (i.e. 40% of the Committee members are independent directors). In 2020, the Committee held seven meetings in person and one in absentia.

The Strategy Committee assists the Board of Directors by previewing matters related to:

- building a sustainability strategy
- investment planning and structural changes
- engagement with capital markets and government relations.

The Strategy Committee's key areas of focus:

- Supporting Nornickel's Board of Directors in developing, following up and adjusting the corporate strategy
- Recommending updates to the strategy

During the reporting year, the Strategy Committee made recommendations to the Board of Directors, reviewed the progress and status updates on Nornickel's major investment

projects (including Bystrinsky GOK, 3rd Stage of Talnakh Concentrator Upgrade, the South Cluster, and the Sulphur Programme), and prepared reports on the Company's operational performance, Report on the Comprehensive Insurance Programme (including a review of property insurance quality), Progress Report on the IT Programme, including progress on the ERP and Technology Breakthrough programmes, Report on the Performance of Global Palladium Fund L.P. and a consolidated progress report on the Company's investment programme, as well as investment plans. The Committee also considered the progress updates on the Company's Fuel and Energy Complex Development Strategy, Sales Strategy, and exploration strategy. To inform the Board of Directors on developments in metals markets and on sales-related risks, the Committee reviewed the impact of COVID-19 on metals markets and Nornickel's sales.

## BUDGET COMMITTEE

Members of the Committee are appointed by the Board of Directors. In accordance with the Terms of Reference of the Budget Committee of the Board of Directors, the Committee has five members, all of them non-executive directors. At least one Committee member must be an independent director. The Committee Chair may serve on other Board committees, but may not chair more than two committees at a time.

In accordance with its Terms of Reference, the current Budget Committee is made up of five directors, two of whom are independent directors (i.e. 40% of the Committee members are independent directors).

In 2020, the Budget Committee focused on making recommendations to the Board of Directors to inform decision-making on the amount of dividends and on the record date to be suggested by the Board of Directors, and reviewed the Company's financial performance. The Budget Committee also approved and recommended that the Board of Directors approve Nornickel's 2021 budget.

## CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Members of the Corporate Governance, Nomination and Remuneration Committee are appointed by Nornickel's Board of Directors. The Committee has five members in accordance with its Terms of Reference. The Board of Directors, however, may increase the membership of the Committee. The Committee may only include independent directors. If it is reasonably impracticable to meet the above requirement, independent directors other than the Company's CEO and/or members of its Management Board should make up the majority of Committee members.

In accordance with its Terms of Reference, the current Budget Committee is made up of five directors, four of whom are independent directors, including its Chairman (i.e. 80% of the Committee members are independent directors).

## MEMBERS OF THE BUDGET COMMITTEE

Committee members before the Annual General Meeting of Shareholders (13 May 2020)	Committee members after the Annual General Meeting of Shareholders (13 May 2020)
Alexey Bashkirov (Chairman)	Sergey Batekhin (Chairman)
■■■■■■■ (Independent Director)	■■■■■■■ (Independent Director)
Sergey Volk (Independent Director)	Maxim Poletaev
Roger Munnings (Independent Director)	Roger Munnings (Independent Director)
Stalbek Mishakov	Vyacheslav Solomin

## MEMBERS OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Committee members before the Annual General Meeting of Shareholders (13 May 2020)	Committee members after the Annual General Meeting of Shareholders (13 May 2020)
Robert Edwards (Chairman, Independent Director)	Robert Edwards (Chairman, Independent Director)
Alexey Bashkirov	Sergey Batekhin
Stalbek Mishakov	Sergey Volk (Independent Director)
■■■■■■■ (Independent Director)	■■■■■■■ (Independent Director)
Maxim Poletaev (Independent Director) Evgeny Shvarts (Independent Director)	

The Corporate Governance, Nomination and Remuneration Committee supports the Board of Directors by:

- evaluating, overseeing and improving Nornickel's corporate governance framework
- ensuring succession planning for Nornickel's Board of Directors and Management Board
- providing incentives, evaluating the performance of Nornickel's Board of Directors, Management Board, President, and Corporate Secretary, and setting relevant remuneration policies
- supervising the development and implementation of Nornickel's information policy.

In the reporting year, the Committee held 13 meetings, including 10 in absentia, and 3 in person.

The Committee made recommendations to the Board of Directors to inform decision-making on convening, preparing and holding the Annual and Extraordinary General Meetings of Shareholders, and on matters reserved to the General Meeting of Shareholders

(remuneration and reimbursement of expenses of members of the Board of Directors and the Audit Commission, and liability insurance and indemnity for members of the Board of Directors and the Management Board).

The Corporate Governance, Nomination and Remuneration Committee advised the Board of Directors on evaluation of the Board of Directors' performance in 2019. The Committee reviewed the updates on the Our Home and My Home programmes, Corporate Social Subsidised Loan Programme, Nornickel's Charitable Policy, and considered the approval of a number of the Company's internal documents. The Committee also considered the annual evaluation of the Board of Directors' performance in 2019, which concluded that the Board of Directors and the Corporate Secretary of Nornickel were effective, and assessed the independence of nominees to the Company's Board of Directors. Several meetings of the Corporate Governance, Nomination and Remuneration Committee were dedicated to reviewing matters relating to remuneration of Nornickel's key employees.

# PRESIDENT AND MANAGEMENT BOARD

6

The President and the Management Board are Nornickel's executive bodies in charge of day-to-day operations. They ensure:

- compliance with resolutions of the Board of Directors and the General Meeting of Shareholders
- implementation of Nornickel's key plans and programmes
- continuous operation of an effective risk management and internal control framework.

One of the Company's major challenges in 2020 was the diesel fuel spill at CHPP-3 in Norilsk. Vladimir Potanin, the Company's President, and Sergey Dyachenko, First Vice President – Chief Operating Officer, took an active part in eliminating the consequences of the incident.

From the very beginning, regardless of the causes of the incident, the Company took responsibility for the full clean-up.

The Company's management is aware that new climate change risks are emerging and that Nornickel should improve its risk management in order to mitigate them more effectively.

Nornickel's President initiated a comprehensive review of environmental risk management and the introduction of a number of new corporate governance instruments, including a Risk Management Committee chaired by him. In terms of physical risks, the Company's management is taking measures to upgrade the permafrost monitoring service and designs a foundations

monitoring system. The monitoring project includes satellite imaging, monitoring of supporting piles and soil temperature by means of geological drilling and installation of strain gauges and temperature sensors, as well as upgrading the Polar Division's Diagnostic Centre and the permafrost laboratory. The Company remains firmly committed to do all that is necessary to minimise the risks of environmental impact. The Company also reiterates its commitment to fully rehabilitate the area impacted by the diesel fuel spill incident.

## PRESIDENT

The President is Nornickel's sole executive body in charge of day-to-day operations. The President is elected by the General Meeting of Shareholders for an indefinite term and acts as Chairman of the Management Board.

The President reports to the Board of Directors and the General Meeting of Shareholders. Since 1 July 2016, election and dismissal of the President is reserved to the General Meeting

of Shareholders. Since 2015, this position has been held by Vladimir Potanin (Nornickel's CEO in 2012–2015).

## MANAGEMENT BOARD

The Management Board is a collective executive body in charge of Nornickel's day-to-day operations within its scope of authority as set out in the Articles of Association; it ensures the implementation of resolutions passed by the General Meeting of Shareholders and the Board of Directors.

Members of the Management Board are elected by the Board of Directors for an indefinite term. The Board of Directors may at any time terminate the office of any member of the Management Board.

The Management Board had 12 members at the start of 2020, according to the composition approved by the Board of Directors on 12 July 2019. During the reporting year, the composition of the Company's Management Board changed three times:

- On 7 April 2020, the Board of Directors resolved to terminate the office of Sergey Batekhin and Larisa Zelkova and to institute a 10-member Management Board as of 8 April 2020

- On 15 June 2020, the Board of Directors resolved to terminate the office of Vladislav Gasumyanov and elected Alexey Bashkirov to the Management Board as of 16 June 2020
- On 13 August 2020, the Board of Directors resolved to terminate the office of Alexey Bashkirov and elected Larisa Zelkova to the Management Board as of 14 August 2020

Biographical details of previous members of the Management Board are available in the [2019 Annual Report](#).

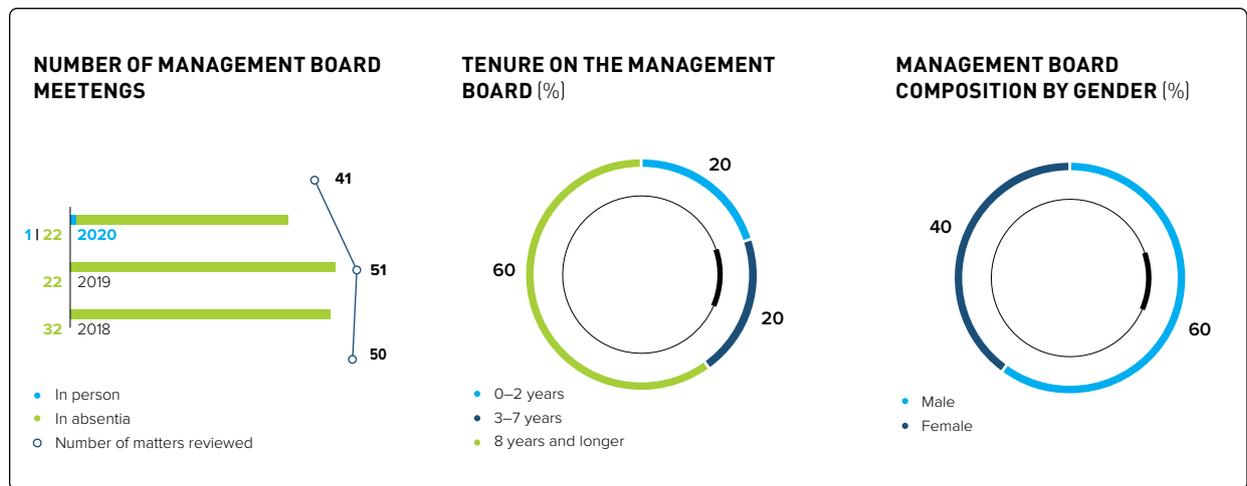
In 2020, the Management Board held 23 meetings, including 22 in absentia and 1 in the form of joint attendance.

During the reporting period, the Management Board resolved to set up divisions and revise the limits of independent decision-making by the CEOs of branches and subsidiaries within the divisions, as well as the powers of the Company's investment committee

and its subcommittees. In 2020, the Management Board passed resolutions regarding branch directors, reviewed the Company's capital-raising and guarantee transactions, and approved the Group's Tax Strategy Policy.

**ATTENDANCE AT MEETINGS IN 2020**

Name	Tenure on the Management Board	Meetings attended/total number of meetings
Vladimir Potanin	8	23/23
Sergey Barbashev	2	23/23
Sergey Batekhin <sup>1</sup> (until 7 April 2020)	8	8/23
Andrei Bougrov	8	23/23
Alexey Bashkirov <sup>3,5</sup> (until 13 August 2020)	1	2/23
Vladislav Gasumyanov <sup>2</sup> (until 15 June 2020)	7	12/23
Sergey Dubovitsky	2	23/23
Sergey Dyachenko	8	23/23
Marianna Zakharova	5	23/23
Larisa Zerkova <sup>1,4</sup>	8	16/23
Elena Savitskaya	7	23/23
Sergey Malyshev	7	23/23
Nina Plastinina	7	23/23



<sup>1</sup> Left the Management Board on 7 April 2020 as per the Board of Directors' resolution.  
<sup>2</sup> Left the Management Board on 15 June 2020 as per the Board of Directors' resolution.  
<sup>3</sup> Joined the Management Board on 16 June 2020 as per the Board of Directors' resolution.  
<sup>4</sup> Joined the Management Board on 14 August 2020 as per the Board of Directors' resolution.  
<sup>5</sup> Left the Management Board on 13 August 2020 as per the Board of Directors' resolution.

BIOGRAPHICAL DETAILS OF MEMBERS OF THE MANAGEMENT BOARD<sup>1</sup>

**Vladimir Potanin**

Chairman of the Management Board since 2012, President of the Company since 2015 (CEO in 2012–2015)

**Born in:** 1961

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

**Education**

Degree in International Economics, Moscow State Institute of International Relations (MGIMO University)

**Experience in the last five years**

**2020 - present:** - Chairman of the Board of the Vladimir Potanin Foundation;

**2020–present:** member of the Board of Trustees of the ROZA Club for Sport Development and Support

**2018–present:** member of the Board of Trustees of the Russia-U.S. Council on Business Cooperation trade association

**2018–present:** member of the Board of Trustees of the Fund for the Conservation and Development of the Solovetsky Archipelago

**2017–present:** Chairman of the Supervisory Board of the Norilsk Development Agency

**2016–present:** member of the Board of the Endowment Fund for Education and Culture, Chairman of the Board of Trustees of the Night Hockey League non-profit amateur hockey foundation

**2013–present:** President of Interros Holding Company

**2014–2019:** Chairman of the Board of Trustees of the ROZA Club for Sport Development and Support

**2012–present:** CEO (2012–2015), President (2015–present), the Chairman of the Management Board (2012–present) of MMC Norilsk Nickel

**2011–present:** member of the Board of Trustees of the State Hermitage Museum Endowment Fund non-profit organisation and the Moscow Church Construction Foundation

**2010–present:** member of the Board of Trustees of the Russian Geographical Society all-Russian non-governmental organisation

**2009–present:** Deputy Chairman of the Board of Trustees of the Russian International Olympic University

**2009–2016:** Chairman of the Supervisory Board of the Russian International Olympic University

**2008–2020:** member of the Board of the Vladimir Potanin Foundation

**2007–present:** member of the Board of Trustees of Saint Petersburg State University, Deputy Chairman of the Board of Trustees of MGIMO Endowment Fund

**2006–present:** Deputy Chairman of the Board of Trustees of MGIMO, member of the Board of Trustees, member of the Management Board of the Graduate School of Management at Saint Petersburg State University, member of the Bureau of the Management Board of the Russian Union of Industrialists and Entrepreneurs

**2005–present:** member of the Board of Trustees, member of the Board of the Russian Olympians Foundation non-profit charitable organisation

**2004–present:** Chairman, member of the Presidium of the National Council on Corporate Governance non-profit partnership

**2003–present:** Chairman of the Board of Trustees of the State Hermitage Museum

**2001–present:** member of the Board of Trustees of the Solomon R. Guggenheim Foundation (New York)

**2000–present:** member of the Bureau of the Management Board and member of the Management Board of the Russian Union of Industrialists and Entrepreneurs

**1995–present:** member of the Presidium of the International Foundation for the Unity of Orthodox Christian Nations

<sup>1</sup> Positions are indicated as at the end of 2019.



**Sergey Barbashev**

Member of the Management Board since 2018, First Vice President – Head of Corporate Security

**Born in:** 1962

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

**Education**

Degree in Law, Moscow Higher School of Militia of the Ministry of Internal Affairs of the USSR

**Experience in the last five years**

**2018–present:** member of the Management Board, First Vice President – Head of Corporate Security at MMC Norilsk Nickel

**2016–present:** member of the Board of the Endowment Fund for Education and Culture

**2015–2018:** branch director at Olderfrey Holdings Ltd

**2011–2019:** Chairman of the Board of Directors of Rosa Khutor Ski Resort Development Company

**2008–present:** member of the Board of the Vladimir Potanin Foundation

**2008–2018:** CEO, Chairman of the Management Board of Interros Holding Company



**Sergey Batekhin**

Deputy Chairman of the Board of Directors since 2020 (Non-Executive Director)

**Born in:** 1965

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education**

Major in Foreign Languages (military and political translation), Krasnoznamenny Military Institute of the Ministry of Defence of the USSR

Degree in Finance and Credit, Plekhanov Russian Academy of Economics

Master of Business Administration, PhD in Economics, Moscow International Higher School of Business MIRBIS

Speaks French, German, English and Italian

**Experience in the last five years**

**2020–present:** Chairman of the Supervisory Board of the Digital Capital

**2020–present:** member of the Board of Trustees of the Vladimir Potanin Foundation

**2020–present:** CEO, Chairman of the Management Board of Interros Holding Company

**2019–present:** member of the Board of Directors of Jokerit Hockey Club Oy

**2019–present:** Chairman of the Presidium of the Night Hockey League non-profit amateur hockey foundation

**2018–present:** member of the Board of Directors of LLC Kontinental Hockey League

**2013–2020** – member of the Management Board (2013–2020), Vice President (2015–2016), Senior Vice President – Head of Sales, Commerce and Logistics (2016–2018), Senior Vice President – Head of Sales, Procurement and Innovation (2018–2020) at MMC Norilsk Nickel



### Andrei Bougrov

Member of the Management Board since 2013, Senior Vice President for Sustainable Development

**Born in:** 1952

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

#### Education

Degree in International Economic Relations, PhD in Economics, Moscow State Institute of International Relations (MGIMO University)

#### Experience in the last five years

**2020 - present** - member of the RSPP Committee on climate policy and carbon regulation

**2020 - present** - member of the Expert Council for Sustainable Development under the Ministry of Economic Development of Russia

**2020–present:** Chairman of the Expert Group on Corporate Governance, Special Administrative Regions, Bankruptcy Procedures and Appraisal Activity at the Russian Ministry of Economic Development

**2018–present:** member of the Advisory Council of the Russo-British Chamber of Commerce

**2018–2020:** member of the Expert Council on Corporate Governance at the Russian Ministry of Economic Development

**2018–present:** Chairman of the Council for Non-Financial Reporting of the Russian Union of Industrialists and Entrepreneurs

**2016–present:** Chairman of the Share Issuers Committee of Moscow Exchange

**2016–present:** member of the Expert Council on Corporate Governance at the Bank of Russia

**2015–present:** member of the National Council on Corporate Governance non-profit partnership

**2015–2016:** member of the Investment Committee of Federal Hydro-Generating Company RusHydro

**2013–present:** Deputy CEO (2013–2015), Vice President (2015–2016), Senior Vice President (2016–2020), Deputy Chairman of the Board of Directors (2013–2020), Senior Vice President for Sustainable Development (2020-present) at MMC Norilsk Nickel

**2014–present:** member of the Expert Committee of the Russian President's Anti-Corruption Office

**2014–present:** member of the Board of Directors of Inter RAO UES

**2013–present:** Vice President of Interros Holding Company

**2006–present:** member of the Management Board, Vice President (since 2013) of the Russian Union of Industrialists and Entrepreneurs

**2002–present:** member of the Council on Foreign and Defence Policy non-governmental association



### Elena Savitskaya

Member of the Management Board since 2014, Vice President – Chief of Staff

**Born in:** 1972

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

#### Education

Degree in Psychology, Moscow Pedagogical State University

#### Experience in the last five years

**2015–present:** Vice President – Chief of Staff (until 2015: Chief of Staff) at MMC Norilsk Nickel

**2013–present:** advisor to the President of Interros Holding Company (part-time)



**Sergey Dubovitsky**

Member of the Management Board since 2018, Senior Vice President – Head of Strategy and Strategic Projects, Logistics and Procurement

**Born in:** 1978

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

**Education**

Degree in International Information, Moscow State Institute of International Relations (MGIMO University)

Master of Business Administration, INSEAD Business School

**Experience in the last five years**

**2013–present:** Director of the Strategic Planning Department (2013–2016), Vice President for Strategic Planning (2016–2019), Vice President – Head of Strategy and Strategic Projects (2019–2020), Senior Vice President – Head of Strategy and Strategic Projects, Logistics and Procurement (2020–present) at MMC Norilsk Nickel



**Sergey Dyachenko**

Member of the Management Board since 2013, First Vice President – Chief Operating Officer - until 1 March, 2021

**Born in:** 1962

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

**Education**

Degree in Mining Engineering, Plekhanov Leningrad State Mining Institute

Master, University of Pretoria (South Africa)

**Experience in the last five years**

**2019–present:** member of the Board of Trustees of the North Caucasian Institute of Mining and Metallurgy

**2017–2021:** member of the boards of directors of MPI Nickel Pty Ltd, Norilsk Nickel Cawse Pty Ltd, Norilsk Nickel Avalon Pty Ltd, Norilsk Nickel Wildara Pty Ltd, Norilsk Nickel Africa Pty Ltd, Norilsk Nickel Mauritius, member of the Executive Committee at Nkomati

**2017–2018:** member of the Board of Directors of Norilsk Nickel Harjavalta

**2016–present:** member of the Supreme Mining Council of the Russian Mining Operators non-profit partnership

**2013–2021:** First Deputy CEO – Chief Operating Officer (2013–2015), First Vice President – Chief Operating Officer (2015–2021) at MMC Norilsk Nickel



### Marianna Zakharova

Member of the Management Board since 2016, First Vice President – Head of Corporate Governance, Asset Management and Legal Affairs

**Born in:** 1976

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

#### Education

Master in Law, Peoples' Friendship University of Russia (RUDN)

#### Experience in the last five years

**2020–present:** member of the Board of Trustees of the Vladimir Potanin Foundation

**2015–present:** First Vice President – Head of Corporate Governance, Asset Management and Legal Affairs at MMC Norilsk Nickel



### Larisa Zelkova

Member of the Management Board since 2013, Senior Vice President – Head of HR, Social Policy and Public Relations

**Born in:** 1969

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

#### Education

Degree in Journalism, Lomonosov Moscow State University  
Experience in the last five years

#### Experience in the last five years

**2020–present:** Chairman of the Management Board of the Second School Centre for community initiatives in the Pechenegsky District

**2020–present:** member of the council of the endowment fund for the replenishment of the Tretyakov Gallery's collection at the State Tretyakov Gallery Foundation

**2020–present:** member of the Management Board of the Monchegorsk Development Agency

**2019–present:** member of the councils of the endowment funds for the replenishment of the Tretyakov Gallery's collection and development of its small museums

**2017–present:** member of the Supervisory Board, Chairwoman of the Management Board of the Norilsk Development Agency

**2016–present:** member of the Board of Trustees of the Endowment Fund for Education and Culture

**2015–present:** member of the Board of Trustees of the Hermitage Foundation UK, member of the Board of Trustees of the Russian Academy of Education

**2014–present:** Chairwoman of the Board, President (2014–2018) of the Vladimir Potanin Foundation

**2013–present:** member of the Management Board (2013–2020, 2020–present), Deputy CEO for Social Policy and Public Relations (2013–2015), Vice President – Head of HR, Social Policy and Public Relations (2015–2016), Senior Vice President – Head of HR, Social Policy and Public Relations (2016–2020, 2020–present) at MMC Norilsk Nickel

**2012–2018:** member of the Russian Presidential Council for Culture and Art

**2011–2016:** member of the Supervisory Board of the Russian International Olympic University

**2011–present:** member of the Board of Directors of Rosa Khutor Ski Resort Development Company, Chairwoman of the Management Board of the State Hermitage Museum Endowment Fund

**2009–present:** member of the Board of Trustees of the Pavlovsk Gymnasium private autonomous non-profit organisation

**2007–present:** member of the Presidium of MGIMO Endowment Fund



**Sergey Malyshev**

Member of the Management Board since 2013, Senior Vice President – Chief Financial Officer

**Born in:** 1969

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

**Education**

Degree in Finance and Credit, Finance Academy under the Government of the Russian Federation

Degree in Public and Municipal Administration, Institute of Advanced Training at the Russian Presidential Academy of National Economy and Public Administration

Degree in Mechanical Engineering, Kosygin State University of Russia

**Experience in the last five years**

**2013–present:** member of the Management Board, Deputy CEO – Head of Economics and Finance (2013–2015), Vice President – Head of Economics and Finance (2015–2016), Senior Vice President – Head of Economics and Finance (2016), Senior Vice President – Chief Financial Officer (2016–present) at MMC Norilsk Nickel



**Nina Plastinina**

Member of the Management Board since 2013, Vice President – Head of Internal Control and Risk Management

**Born in:** 1961

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them.

**Education**

Degree in Mechanical Engineering, Moscow Chemical Machine Building Institute

Post-graduate degree in Economics and Production Management, Bauman Moscow State Technical University

**Experience in the last five years**

**2013–present:** member of the Management Board, Director of the Internal Control Department (2013–2015), Vice President – Head of Internal Audit (2015–2016), Vice President – Head of Internal Control and Risk Management (2016–present) at MMC Norilsk Nickel

## CORPORATE SECRETARY

The role of the Corporate Secretary is to ensure compliance with the procedures for the protection of shareholder rights and legitimate interests, as prescribed by applicable laws and Nornickel's internal documents, and to monitor such compliance. According to the Company's Articles of Association, the Corporate Secretary is appointed by the Board of Directors for a three-year term. The Board of Directors may terminate the office of the Corporate Secretary before the end of the term.

The Corporate Secretary reports administratively to the President and is accountable to the Board of Directors.

At present, Pavel Platov is Nornickel's Corporate Secretary. In December 2018, the Board of Directors extended Pavel Platov's term as Corporate Secretary by another three years.

At its 15 January 2020 meeting, the Board of Directors approved a new version of the Regulations on the Corporate Secretary of MMC Norilsk Nickel following a preview by the Corporate Governance, Nomination and Remuneration Committee. The new version of the Regulations contains updated terms and definitions which are fully compliant with the Bank of Russia's Corporate Governance Code.

## THE CORPORATE SECRETARY'S KEY FUNCTIONS:

- Involvement in preparing and holding the General Meeting of Shareholders
- Preparing and holding meetings of the Board of Directors and its committees
- Contributing to the improvement of Nornickel's corporate governance framework and practice
- Managing the activities of the Secretariat
- Other functions in accordance with Nornickel's internal documents



**Pavel Platov**

Corporate Secretary since 2011

**Born in:** 1975

**Nationality:** Russian Federation

In the reporting year, held no shares in MMC Norilsk Nickel and made no transactions with them

**Education:**

Dobrolyubov Linguistics University of Nizhny Novgorod  
Academy of National Economy under the Government of the Russian Federation

**Experience in the last five years:**

**2017–present** — Corporate Secretary of MMC Norilsk Nickel  
(2011–2017: Company Secretary)

# REMUNERATION

The Board of Directors directly supervises the remuneration framework at Nornickel. The Corporate Governance, Nomination and Remuneration Committee of the Board of Directors is responsible for:

- developing the Remuneration Policy for Members of the Board of Directors, Members of the Management Board, and the President of Nornickel
- overseeing the implementation and execution of the Policy
- reviewing the Policy on a regular basis.

Nornickel does not issue loans to members of the Board of Directors and the Management Board but encourages them to invest in Nornickel shares.

Remuneration paid to members of Nornickel's governance bodies in 2020 totalled RUB 6.4 billion (USD 89 million), including salaries, bonuses, commissions, benefits, and reimbursed expenses).<sup>1</sup>The Board of Directors' annual remuneration is set out in the [Remuneration Policy for Members of the Board of Directors](#). The Policy was adopted to attract and properly incentivise top talent with required skill sets and experience to serve on the Board of Directors. The Policy also provides for presenting shareholders with a full report on all components of the remuneration payable to members of the Board of Directors. If the Policy needs revision, the relevant changes are submitted to Nornickel's General Meeting of Shareholders for approval.

## REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Remuneration of the Chairman of the Board of Directors differs from remuneration payable to other non-executive directors, due to the Chairman's enhanced scope of expertise and responsibilities. Subject to a resolution of the General Meeting of Shareholders, the Chairman of the Board of Directors may be entitled to additional remuneration and benefits other than those set out in the Policy. Under the Policy, the annual base remuneration of the Chairman of the Board of Directors is USD 1 million. The Chairman of the Board of Directors is not entitled to any additional remuneration for serving on Board committees.

## DIRECTORS' REMUNERATION

By resolution of the General Meeting of Shareholders, members of the Board of Directors are remunerated for their service on the Board of Directors and reimbursed for expenses incurred by them in performing their duties as Board members. Additional benefits for all Board members include liability insurance and reimbursement of losses

incurred in connection with their service on the Board of Directors. The Bank of Russia's Corporate Governance Code recommends companies to insure liability of their directors to be able to recover potential losses through the insurer. Apart from ensuring stronger commitment from directors, the insurance encourages competent leaders to join the Board.

## REMUNERATION OF NON-EXECUTIVE DIRECTORS

Under the above Policy, all non-executive directors receive equal remuneration.

The Policy sets forth the following annual remuneration for non-executive directors:

- Base remuneration of USD 120 thousand for Board membership
- Additional remuneration:
  - of USD 50 thousand for membership on a Board committee
  - of USD 150 thousand for chairing a Board committee.

Non-executive directors are not eligible for any forms of short-term or long-term cash incentives, or non-cash remuneration, including shares (or

<sup>1</sup> The amount of remuneration paid does not include the remuneration accrued but not yet paid as of 31 December 2020, as well as insurance premiums and voluntary health insurance (VHI) contributions. Adding the amounts above, remuneration of members of Nornickel's governance bodies for 2020 as per the 2020 consolidated IFRS financial statements totalled RUB 5.6 bn (USD 78 mln).

share-based payments), share options (option agreements), or other non-cash rewards or benefits.

## REMUNERATION OF EXECUTIVE DIRECTORS

In line with the approved Policy, executive directors do not receive any additional remuneration for their service on the Board of Directors to avoid any potential conflict of interest.

### DIRECTORS' REMUNERATION IN 2020

Type	Amount	
	RUB mln	USD mln
Remuneration for serving on the Board of Directors	292	4.05
Salary	0	0
Bonuses	0	0
Commissions	0	0
Benefits	0	0
Reimbursement	0.7	0.01
Other	0	0
<b>Total</b>	<b>293</b>	<b>4.1</b>

## MANAGEMENT BOARD'S REMUNERATION

KPIs used to assess senior management's performance are aligned to Nornickel's strategic goals. In line with Nornickel's Articles of Association, the remuneration and reimbursement payable to the President and members of the Management Board are determined by the Board of Directors.

Remuneration payable to senior management is comprised of basic salary and bonuses. Bonuses are

linked to Nornickel's performance, including both financial (EBITDA, per unit costs) and non-financial metrics (work-related injury rates and labour productivity). The variable component of the remuneration payable to members of the Management Board reflects key performance indicators, which are annually updated and approved by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors.

The Board of Directors decides whether to pay the President a performance bonus for the reporting year. In 2021, senior management's KPIs will include the Zero Environmental Incidents indicator with a weight of 20% (of team KPI) team) to ensure a clear link between the implementation of the Company's strategic priorities and the level of remuneration.

### REMUNERATION OF SENIOR MANAGEMENT

#### FIXED COMPONENT

#### BONUS

- Financial metrics
- EBITDA (20%)
  - Per unit costs (up to 5%)

- Non-financial metrics
- Work-related injury rate (5–10%)
  - Labour productivity (2.5%)

### MANAGEMENT BOARD'S REMUNERATION IN 2020

Type	Amount	
	RUB mln	USD mln
Remuneration for serving on the Management Board	2	0.03
Salary	3,686	51
Bonuses	2,467	34
Commissions	0	0
Benefits	0	0
Reimbursement	0	0
Other	0	0
<b>Total</b>	<b>6,155</b>	<b>85.03</b>