

CORPORATE GOVERNANCE CODE COMPLIANCE REPORT



This Corporate Governance Code Compliance Report was discussed by the Board of Directors of PJSC MMC NORILSK NICKEL (the Company) at its meeting held on "9" April 2021 (Minutes No. GMK/9-pr-sd).

The Corporate Governance Code Compliance Report was prepared in accordance with the Recommendations on Preparation of the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code (Letter of the Bank of Russia No. IN-06-52/8 dated 17 February 2016).

The Board of Directors certifies that all data in this Report contain full and reliable information on compliance by the Company with the principles and recommendations of the Corporate Governance Code for 2020¹.

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
1.1	The company shall ensure fair and equitable treatment of all shareholders in exercising their rights to participate in the governance of the company.			
1.1.1	The company ensures the most favourable conditions for its shareholders to participate in the general meeting, develop an informed position on agenda items of the general meeting, coordinate their actions, and voice their opinions on items considered.	<ol style="list-style-type: none"> The company's internal document approved by the general meeting of shareholders governing the procedures to hold general meetings of shareholders is publicly available. The company provides accessible means of communication with the company, such as a hotline, email or online forum, to enable shareholders to express their opinions and send questions on the agenda in preparation for the general meeting. The company performed the above actions in advance of each general meeting held in the reporting period. 	☑ Full compliance	

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1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting enables shareholders to properly prepare for attending the general meeting.	<ol style="list-style-type: none"> 1. The notice of an upcoming general meeting of shareholders is posted (published) online at least 30 days prior to the date of the general meeting. 2. The notice of an upcoming meeting indicates the location of the meeting and the documents required for admission. 3. Shareholders were given access to the information on who proposed the agenda items and nominees to the company's board of directors and the audit commission. 	☑ Full compliance	
1.1.3	In preparation for the general meeting and during the general meeting, shareholders were enabled to receive information about, and all materials related to, the meeting, put questions to executive bodies and members of the board of directors, as well as communicate with each other, in an unobstructed and timely manner.	<ol style="list-style-type: none"> 1. In the reporting period, shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors in advance of, and during, the annual general meeting. 2. The position of the board of directors (including dissenting opinions entered in the minutes) on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting of shareholders. 3. The company gave duly authorized shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by the company, in all instances of general meetings held in the reporting period. 	☑ Full compliance	
1.1.4	Shareholders did not encounter unjustified difficulties in exercising their right to request that a general meeting be convened, to nominate candidates to governance bodies, and to make proposals for the agenda of the general meeting.	<ol style="list-style-type: none"> 1. In the reporting period, shareholders had an opportunity to make proposals for the agenda of the annual general meeting for at least 60 days after the end of the respective calendar year. 2. In the reporting period, the company did not reject proposals for the agenda or candidates to governance bodies due to misprints or other insignificant flaws in the shareholder's proposal. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
1.1.5	Each shareholder was enabled to freely exercise his/her voting right in the simplest and most convenient way.	1. An internal document (internal policy) of the company contains provisions stipulating that every participant in the general meeting may, before the end of the respective meeting, request a copy of the ballot filled in by them and certified by the counting commission.	☑ Full compliance	
1.1.6	The procedure for holding a general meeting set by the company provides equal opportunities for all persons attending the meeting to voice their opinions and ask questions.	<ol style="list-style-type: none"> 1. During general meetings of shareholders held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was allocated for reports on, and discussion of, the agenda items. 2. Nominees to the company's governance and control bodies were available to answer shareholders' questions at the meeting at which their nominations were put to vote. 3. When passing resolutions on preparing and holding general meetings of shareholders, the board of directors considered using telecommunication means for remote access of shareholders to general meetings in the reporting period. 	☑ Partial compliance	Criterion 2 is partially complied with. In accordance with the Regulations on the General Meeting of Shareholders of OJSC MMC Norilsk Nickel approved by the Company's General Meeting of Shareholders (Minutes No. 1 dated 6 June 2014), when the General Meeting of Shareholders considers the election of the Board of Directors and the Audit Commission, candidates to the Company's bodies must be invited. Amid the COVID-19 pandemic, in 2020, the Annual General Meeting of Shareholders was held in absentia, which made it impossible to invite candidates to governance and control bodies to the General Meeting of Shareholders.
1.2	Shareholders have equal and fair rights to share profits of the company by receiving dividends.			
1.2.1	The company has developed and put in place a transparent and clear mechanism for determining the dividend amount and paying dividends.	<ol style="list-style-type: none"> 1. The company's dividend policy is developed, approved by the board of directors and disclosed. 2. If the company's dividend policy uses the company's reporting figures to determine the dividend amount, then relevant provisions of the dividend policy take into account the consolidated financial statements. 	☑ Full compliance	
1.2.2	The company does not resolve to pay out dividends if such payout, while formally compliant with law, is economically unjustified and may lead to a false representation of the company's performance.	1. The company's dividend policy clearly identifies financial/ economic circumstances under which the company shall not pay out dividends.	☑ Full compliance	
1.2.3	The company does not allow for dividend rights of its existing shareholders to be impaired.	1. In the reporting period, the company did not take any actions that would lead to the impairment of the dividend rights of its existing shareholders.	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
1.2.4	The company makes every effort to prevent its shareholders profiting from the company through any means other than dividends and liquidation value.	1. To prevent its shareholders profiting from the company through any means other than dividends and liquidation value, the company's internal documents provide for controls to timely identify and approve deals with affiliates (associates) of the company's significant shareholders (persons entitled to use votes attached to voting shares) where the law does not formally recognize such deals as interested party transactions.	☑ Full compliance	
1.3 The corporate governance system and practices ensure equal conditions for all shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equal treatment by the company.				
1.3.1	The company has created conditions for fair treatment of each shareholder by the company's governance and control bodies, including conditions that rule out abuse by major shareholders against minority shareholders.	1. In the reporting period, procedures for managing potential conflicts of interest among significant shareholders were efficient, and the board of directors paid due attention to conflicts, if any, between shareholders.	☑ Full compliance	
1.3.2	The company does not take any actions that lead or may lead to artificial redistribution of corporate control.	1. No quasi-treasury shares were issued or used to vote in the reporting period.	☑ Full compliance	
1.4 Shareholders are provided with reliable and efficient means of recording their rights to shares and are able to freely dispose of their shares without any hindrance.				
1.4.1	Shareholders are provided with reliable and efficient means of recording their rights to shares and are able to freely dispose of their shares without any hindrance.	1. The company's registrar maintains the securities register in an efficient and reliable way that meets the needs of the company and its shareholders.	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.1	The board of directors carries out the strategic management of the company, determines key principles of, and approaches to, setting up a corporate risk management and internal control system, oversees the activities of the company's executive bodies, and performs other key functions.			
2.1.1	<p>The board of directors is responsible for appointing and dismissing executive bodies, including due to improper performance of their duties. The board of directors also ensures that the company's executive bodies act in accordance with the company's approved development strategy and core lines of business.</p> <p>The board of directors sets key long-term targets for the company, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business.</p> <p>The board of directors determines the principles of, and approaches to, setting up a risk management and internal control system in the company.</p>	<ol style="list-style-type: none"> The board of directors has the authority stipulated in the articles of association to appoint and dismiss members of executive bodies and to set out the terms and conditions of their contracts. The board of directors reviewed the report(s) by the sole executive body and members of the collective executive body on the implementation of the company's strategy. 	☑ Partial compliance	<p>Criterion 1 is partially complied with. In accordance with the Company's Articles of Association, election and dismissal of the President is reserved to the General Meeting of Shareholders.</p> <p>Criterion 2 is partially complied with. In the reporting period, the Strategy Committee reviewed the materials relating to the implementation of the Company's functional strategies, submitted by executive bodies:</p> <ul style="list-style-type: none"> Implementation status of the development concept for the Company's design, repair, and construction services Consolidated report on the implementation of the 2019 investment programme and the 2020 investment plan Progress report on the Company's major projects Implementation status of the IT programme, fuel and energy complex development strategy, exploration strategy, and sales strategy Updated long-term production programme (including the progress report on Bystrinsky GOK reaching the design capacity) <p>In addition, in the lead-up to the Annual General Meeting of Shareholders, the Company's Board of Directors previewed the report of the President (Chairman of the Management Board) on the Company's performance, included in the Annual Report.</p>
2.1.2	<p>The board of directors sets key long-term targets for the company, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business.</p>	<ol style="list-style-type: none"> In the reporting period, the board of directors reviewed at its meetings matters related to the progress in the implementation of the strategy and its updates, approval of the company's financial and business plan (budget), and consideration of the implementation criteria and performance (including interim criteria and performance) of the company's strategy and business plans. 	☑ Full compliance	
2.1.3	<p>The board of directors determines the principles of, and approaches to, setting up a risk management and internal control system in the company.</p>	<ol style="list-style-type: none"> The board of directors determined the principles of, and approaches to, setting up a risk management and internal control system in the company. The board of directors assessed the company's risk management and internal control system in the reporting period. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.1.4	The board of directors determines the company's policy on remuneration payable to, and/or reimbursement (compensation) of expenses incurred by, directors, executive bodies and other key executives of the company.	<ol style="list-style-type: none"> 1. The company has developed and put in place a policy (policies) on remuneration and reimbursement (compensation) of expenses incurred by directors, executive bodies and other key executives of the company, approved by the board of directors. 2. At its meetings in the reporting period, the board of directors discussed matters related to such policy (policies). 	<input checked="" type="checkbox"/> Partial compliance	<p>Criterion 1 is partially complied with. The Company has developed and put in place the Remuneration Policy for Members of the Board of Directors that determines the structure of remuneration of non-executive directors and the Chairman of the Board of Directors, as well as rules for reimbursing expenses incurred by members of the Board of Directors. The Policy was approved by the Board of Directors, recommended for approval by the General Meeting of Shareholders (Minutes No. GMK/10-pr-sd dated 7 April 2020) and approved by the General Meeting of Shareholders (Minutes No. 1 dated 14 May 2020). The principles and basic mechanisms of the remuneration (expense reimbursement) system for members of executive bodies and other key executives of the Company are set forth in the Articles of Association, the Regulations on the Management Board, and internal documents approved by the President of the Company.</p> <p>The Company's current remuneration policy (system) operates under the continuous and direct control of the Board of Directors. The Corporate Governance, Nomination and Remuneration Committee is responsible for developing and regularly reviewing the remuneration policy (system) for members of the Board of Directors, members of the Management Board, and the President of the Company, as well as for overseeing its implementation and execution.</p> <p>Criterion 2 is partially complied with. In the reporting period, the Board of Directors recommended that the General Meeting of Shareholders approve a new version of the Remuneration Policy for Members of the Board of Directors and set remuneration and reimbursement of expenses related to the performance of their duties for members of the Board of Directors in the amount proposed by the Board of Directors. Corresponding resolutions were passed at the Annual General Meeting of Shareholders held on 13 May 2020.</p>

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				Matters related to the Remuneration Policy for the Company's Top Management were reviewed by the Corporate Governance, Nomination and Remuneration Committee during the reporting period. Following the review of remuneration of the Company's key executives by the said committee, it is planned to include environmental and resource conservation indicators in the Company's KPI system.
2.1.5	The board of directors plays a key role in preventing, identifying and resolving internal conflicts between the company's bodies, shareholders and employees.	<ol style="list-style-type: none"> 1. The board of directors plays a key role in preventing, identifying and resolving internal conflicts. 2. The company has set up mechanisms to identify transactions implying a conflict of interest and to resolve such conflicts. 	☑ Full compliance	
2.1.6	The board of directors plays a key role in ensuring that the company is transparent, timely and fully discloses its information, and provides its shareholders with unhindered access to the company's documents.	<ol style="list-style-type: none"> 1. The board of directors approved the company's regulations on the information policy. 2. The company designated persons responsible for implementing the information policy. 	☑ Full compliance	
2.1.7	The board of directors controls the company's corporate governance practices and plays a key role in its significant corporate events.	<ol style="list-style-type: none"> 1. In the reporting period, the board of directors reviewed the company's corporate governance practices. 	☑ Partial compliance	The Board of Directors reviews the Company's corporate governance practices as part of its own performance evaluation as a key element of the Company's corporate governance framework, during the annual assessment of internal controls, as well as during the preparation and preliminary approval of the Company's Annual Report and approval of the Sustainability Report of the Norilsk Nickel Group. In 2020, The Board of Directors reviewed the Report on the Internal Performance Evaluation of the Board of Directors for 2020 and the recommendations of the Corporate Governance, Nomination and Remuneration Committee, and found the performance of the Board of Directors, Board Chairman, Corporate Secretary and the Board committees to be good.

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				<p>The Company's Board of Directors reviewed the Internal Audit Department's 2020 performance assessment report for internal controls, which covers most aspects of corporate governance:</p> <ul style="list-style-type: none"> • Division of roles between governance bodies • Organisation of the Board of Directors' activities, including engagement with executive management • Business development strategy • Coordination of risk management • Preventing conflicts of interest among shareholders, members of the Board of Directors, executive bodies and employees of the Company • Defining rules and procedures to ensure compliance with business ethics • Coordinating corporate disclosures • Monitoring internal controls <p>The Norilsk Nickel Group's Annual Reports and Sustainability Reports include large sections on corporate governance with detailed information on the roles and performance of each governance body and changes in corporate governance practices at the Company. These reports must be reviewed by the Corporate Governance, Nomination and Remuneration Committee and then by the Board of Directors.</p>
2.2 The board of directors is accountable to the company's shareholders.				
2.2.1	Information about the performance of the board of directors is disclosed and made available to the shareholders.	<ol style="list-style-type: none"> 1. The company's annual report for the reporting period includes the information on individual attendance at board of directors and committee meetings. 2. The annual report contains key results of the board of directors' performance assessment in the reporting period. 	☑ Full compliance	
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders.	<ol style="list-style-type: none"> 1. The company has in place a transparent procedure enabling its shareholders to forward questions and express their positions on such questions to the chairman of the board of directors. 	☑ Full compliance	

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2.3	The board of directors manages the company in an efficient and professional manner and is capable of making fair and independent judgements and adopting resolutions in the best interests of the company and its shareholders.			
2.3.1	Only persons of impeccable business and personal reputation who have the knowledge, expertise and experience required to make decisions within the remit of the board of directors and essential to performing its functions in an efficient way are elected to the board of directors.	<ol style="list-style-type: none"> 1. The procedure for assessing the board of directors' performance established in the company includes, inter alia, assessment of directors' professional qualifications. 2. In the reporting period, the board of directors (or its nomination committee) assessed nominees to the board of directors for required experience, expertise, business reputation, absence of conflicts of interest, etc. 	☑ Full compliance	
2.3.2	The company's directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.	<ol style="list-style-type: none"> 1. Whenever throughout the reporting period the agenda of the general meeting of shareholders included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the results of their assessment carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the independence criteria set forth in Recommendations 102–107 of the Code, as well as the nominees' written consent to be elected to the board of directors. 	☑ Full compliance	
2.3.3	The board of directors has a balanced membership, including in terms of directors' qualifications, experience, expertise and business skills, and has the trust of shareholders.	<ol style="list-style-type: none"> 1. As part of the board of directors' performance assessment run in the reporting period, the board of directors reviewed its requirements to professional qualifications, experience and business skills. 	☑ Full compliance	
2.3.4	The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors and enable the company's significant minority shareholders to elect a nominee to the board of directors for whom they vote.	<ol style="list-style-type: none"> 1. As part of the board of directors' performance assessment run in the reporting period, the board of directors considered whether the number of directors met the company's needs and shareholders' interests. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.4 The board of directors includes a sufficient number of independent directors.				
2.4.1	An independent director is a person who is sufficiently professional, experienced and independent to develop his/her own position, and capable of making unbiased judgements in good faith, free of influence by the company's executive bodies, individual groups of shareholders, or other stakeholders. It should be noted that a nominee (elected director) who is related to the company, its significant shareholder, significant counterparty or competitor, or is related to the government, may not be considered as independent under normal circumstances.	1. In the reporting period, all independent directors met all independence criteria set out in Recommendations 102–107 of the Code, or were deemed independent by resolution of the board of directors.	☑ Full compliance	
2.4.2	The company assesses compliance of nominees to the board of directors and reviews compliance of independent directors with independence criteria on a regular basis. In such assessment, substance should prevail over form.	1. In the reporting period, the board of directors (or its nomination committee) made a judgement on the independence of each nominee to the board of directors and provided its opinion to shareholders. 2. In the reporting period, the board of directors (or its nomination committee) reviewed, at least once, the independence of incumbent directors listed by the company as independent directors in its annual report. 3. The company has developed procedures defining the actions to be taken by directors if they cease to be independent, including the obligation to timely notify the board of directors thereof.	☑ Full compliance	
2.4.3	Independent directors make up at least one third of elected directors.	1. Independent directors make up at least one third of directors.	☑ Full compliance	
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in ensuring that the company performs material corporate actions.	1. Independent directors (who do not have a conflict of interest) run a preliminary assessment of material corporate actions implying a potential conflict of interest and submit the results to the board of directors.	☑ Full compliance	

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2.5	The chairman of the board of directors ensures that the board of directors discharges its duties in the most efficient way.			
2.5.1	The board of directors is chaired by an independent director, or a senior independent director is chosen from among the elected independent directors to coordinate the activities of independent directors and enable the interaction with the chairman of the board of directors.	<ol style="list-style-type: none"> 1. The board of directors is chaired by an independent director, or a senior independent director is chosen from among the independent directors⁴. 2. The role, rights and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal documents. 	☑ Full compliance	The Board of Directors is chaired by an independent director. The Company believes that this situation is the most closely aligned with global best practices. An independent Chairman of the Company's Board of Directors ensures interaction between the Board of Directors, shareholders and other stakeholders in the most efficient way.
2.5.2	The chairman of the board of directors maintains a constructive environment at meetings, enables free discussion of agenda items, and supervises the execution of resolutions passed by the board of directors.	<ol style="list-style-type: none"> 1. Performance of the chairman of the board of directors was assessed as part of the board of directors' performance assessment in the reporting period. 	☑ Full compliance	

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2.5.3	The chairman of the board of directors takes all steps necessary for the timely provision to directors of information required to pass resolutions on agenda items.	1. The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to directors of materials regarding items on the agenda of a board meeting.	☑ Full compliance	
2.6 Directors act reasonably and in good faith in the best interests of the company and its shareholders, on a fully informed basis and with due care and diligence.				
2.6.1	Directors pass resolutions on a fully informed basis, with no conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks.	1. The company's internal documents stipulate that a director should notify the board of directors of any existing conflict of interest as to any agenda item of a meeting of the board of directors or its committee, prior to discussing the relevant agenda item. 2. The company's internal documents stipulate that a director should abstain from voting on any item in connection with which he/she has a conflict of interest. 3. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company.	☑ Full compliance	
2.6.2	The rights and duties of directors are clearly stated and formalised in the company's internal documents.	1. The company has adopted and published an internal document that clearly defines the rights and duties of directors.	☑ Full compliance	
2.6.3	Directors have sufficient time to perform their duties.	1. Individual attendance at board and committee meetings, as well as time devoted to preparation for attending meetings, was recorded as part of the procedure for assessing the board of directors in the reporting period. 2. In accordance with the company's internal documents, directors should notify the board of directors of their intentions to be elected to governance bodies of other entities (apart from the entities controlled by, or affiliated to, the company), and of their election to such bodies.	☑ Full compliance	

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2.6.4	All directors have equal access to the company's documents and information. Newly elected members of the board of directors are furnished with sufficient information about the company and the performance of the board of directors as soon as possible.	<ol style="list-style-type: none"> In accordance with the company's internal documents, directors are entitled to access documents and make queries regarding the company and its controlled entities, while executive bodies of the company should furnish all relevant information and documents. The company has in place a formalised induction programme for newly elected members of the board of directors. 	☑ Partial compliance	<p>Under the Regulations on the Board of Directors of the Company, members of the Board of Directors may request information (materials) and clarifications from the executive bodies and officers of the Company on the Company's activities where such information is required to make an informed decision within the remit of the Board of Directors.</p> <p>The remit of the Company's Board of Directors includes both the matters that directly affect the Company's operations and the key matters related to activities of the Company controlled entities. In this regard, the disclosure rules outlined in the Regulations on the Board of Directors apply, inter alia, to documents and information of entities controlled by the Company.</p>
2.7	Meetings of the board of directors, preparation for such meetings, and participation of directors ensure efficient performance by the board of directors.			
2.7.1	Meetings of the board of directors are held as needed, taking into account the scale of business and goals of the company at a particular time.	<ol style="list-style-type: none"> The board of directors held at least six meetings in the reporting year. 	☑ Full compliance	
2.7.2	The company's internal documents set out a procedure for arranging and holding meetings of the board of directors, enabling members of the board of directors to properly prepare for such meetings.	<ol style="list-style-type: none"> The company has an approved internal document that describes a procedure for arranging and holding meetings of the board of directors and stipulates, in particular, that the notice of the meeting is to be given, as a rule, at least five days prior to such meeting. 	☑ Full compliance	

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2.7.3	The format of the meeting of the board of directors is determined taking into account the importance of its agenda items. The most important matters are dealt with at meetings of the board of directors held in person.	1. The company's articles of association or internal document provide(s) for the most important matters (as per the list set out in Recommendation 168 of the Code) to be discussed at meetings of the board of directors held in person.	☑ Partial compliance	<p>Criterion 1 is partially complied with. The Regulations on the Board of Directors of PJSC MMC NORILSK NICKEL list matters to be discussed only at in-person meetings of the Board of Directors. This list largely matches the list set out in Recommendation 168 of the Code; however, it reflects the features of the Company's corporate governance and the distribution of roles among its governance bodies. Formally, the following matters are not included in the list of matters to be reviewed at in-person meetings of the Board of Directors:</p> <ul style="list-style-type: none"> • Approval of material transactions • Approval of the Company's registrar, as well as the terms of the contract with the registrar and its termination • Review of material aspects of operations of legal entities controlled by the Company • Matters relating to the Company's receipt of a mandatory or voluntary offer • Review of the Company's financial activities in the reporting period (quarter, year) • Matters related to the listing and delisting of Company shares • Review of the results of the performance assessment of the Board of Directors, executive bodies of the Company and key executives • Review of the Risk Management Policy • Approval of the Company's Dividend Policy

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				<p>In the reporting period, in-person meetings of the Board of Directors approved the Company's budget and pre-approved the Annual Report, discussed the election of the Chairman of the Board of Directors and the formation of the Company's executive bodies, reviewed the implementation of the investor relations strategy, reports on production, occupational health and safety, progress in responding to the incident at CHPP-3 in Norilsk, Norilsk Nickel Group's 2019 Sustainability Report, and matters related to preparing and holding General Meetings of Shareholders. Taking into account the requirements of the Federal Law On Joint Stock Companies, the level of decision-making on applying for delisting has been raised higher than required by the Code – the Articles of Association of PJSC MMC</p>





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				<p>NORILSK NICKEL refer this matter to the General Meeting of Shareholders. Approval of the Annual Report and annual accounting (financial) statements is also referred to the General Meeting of Shareholders. The matter of convening the General Meeting of Shareholders, including the preparation of a report by the Board of Directors setting forth its substantiated position on the agenda items of the General Meeting of Shareholders, is reviewed at the meeting of the Board of Directors held in person.</p> <p>Thus, the list of matters to be reviewed only at in-person meetings of the Board of Directors, stipulated by the Regulations on the Board of Directors of PJSC MMC NORILSK NICKEL, does not fully comply with the list of matters stipulated by Recommendation 168 of the Code. Nevertheless, virtually all of the matters specified in Recommendation 168 of the Code are reviewed in person by members of the Board of Directors.</p> <p>Discussion of items on the agendas of committee meetings requires sufficient time, since recommendations expressing the opinions of committee members on agenda items are the basis for an informed decision at a Board meeting.</p> <p>Excessive workload of independent directors contradicts the principle laid down in the Corporate Governance Code about “board members should be able to spend sufficient time working on the board of directors, including on its committees”.</p> <p>All elected members of the Audit and Sustainable Development Committee have the knowledge, skills and experience required to serve on the Committee. The Committee is chaired by an independent director.</p> <p>The risks associated with partial compliance with this criterion are minimal.</p>

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2.7.4	Resolutions on the most important matters relating to the company's operations are passed at a meeting of the board of directors by a qualified majority or by a majority of all elected directors.	1. The company's articles of association provide for resolutions on the most important matters set out in Recommendation 170 of the Code to be passed at a meeting of the board of directors by a qualified majority of at least three quarters or by a majority of all elected directors.	☑ Partial compliance	<p>Criterion 1 is partially complied with. The Company's Articles of Association provide for resolutions on increasing the Company's authorised capital by placing additional shares to be passed by the Board of Directors unanimously. Resolutions on certain material matters (some of which are listed in Recommendation 170 of the Code) are passed by at least ten votes of members of the Board of Directors (which is at least three quarters of all directors). These matters include:</p> <ul style="list-style-type: none"> • Submission for review by the General Meeting of Shareholders of matters concerning amendments and addenda to the Articles of Association and the reduction of authorised capital • Approval and amendment of the Dividend Policy • Approval of material transactions • Review of material matters relating to the operations of controlled entities <p>Internal documents, the Company's sales strategy and other matters are also approved by at least ten votes of members of the Board of Directors.</p> <p>In addition, a special quorum is stipulated by the Company's Articles of Association whenever the agenda of a meeting includes the determination of the Company's business priorities, development concept and strategy, approval of the Company's plans and budgets, as well as submission for review by the General Meeting of Shareholders of matters concerning reorganisation and liquidation of the Company and increase of its authorised capital: at least two thirds of the elected directors, including at least one independent director, must participate in the meeting. The risks associated with partial compliance with Recommendation 170 of the Code are offset by the traditionally active participation of Board members in meetings (generally, 100%) and consensus-based decision-making by the Board of Directors (in most cases unanimously). Matters of particular importance are subject to preliminary discussion by committees of the Board of Directors.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.8	The board of directors sets up committees to preview the most important matters related to the company's operations.			
2.8.1	An audit committee comprised of independent directors was set up to preview matters related to controlling the company's financial and business activities.	<ol style="list-style-type: none"> 1. The board of directors set up an audit committee comprised solely of independent directors. 2. The company's internal documents set out the tasks of the audit committee, including those listed in Recommendation 172 of the Code. 3. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analyzing, assessing and auditing accounting (financial) statements. 4. In the reporting period, meetings of the audit committee were held at least once a quarter. 	☑ Partial compliance	<p>Criterion 1 is partially complied with.</p> <p>The Audit and Sustainable Development Committee is established at the Company, made up of three independent and two non-executive directors (who are not the issuer's sole executive body and/or members of its collegial executive body). According to the Company's internal documents, the Board of Directors has 13 members. The Board of Directors includes six independent directors. The Company has four Board committees, each comprised of five members. According to their terms of reference, each committee must include independent directors. All six independent members of the Board of Directors are involved in the activities of the committees, but it is not possible to establish committees entirely made up of independent directors due to the insufficient ratio of the number of independent directors (six people) to the total number of committee members (20 people). In 2020, the Audit Committee of the Board of Directors held eight meetings. In addition, an average of three Board meetings were held each month in 2020.</p>
				<p>Discussion of items on the agendas of committee meetings requires sufficient time, since recommendations expressing the opinions of committee members on agenda items are the basis for an informed decision at a Board meeting.</p> <p>Excessive workload of independent directors contradicts the principle laid down in the Corporate Governance Code about "board members should be able to spend sufficient time working on the board of directors, including on its committees". All elected members of the Audit and Sustainable Development Committee have the knowledge, skills and experience required to serve on the Committee. The Committee is chaired by an independent director.</p> <p>The risks associated with partial compliance with this criterion are minimal.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee was set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors.	<ol style="list-style-type: none"> 1. The board of directors set up a remuneration committee comprised solely of independent directors. 2. The remuneration committee is chaired by an independent director who is not the chairman of the board of directors. 3. The company's internal documents set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code. 	☑ Partial compliance	<p>Criterion 1 is partially complied with.</p> <p>The Company combines the functions of the Remuneration Committee and the Nomination Committee within the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors. The Committee is made up of four independent directors and one non-executive director (who are not the issuer's sole executive body and/or members of its collegial executive body).</p> <p>According to the Company's internal documents, the Board of Directors has 13 members. The Board of Directors includes six independent directors. The Company has four Board committees, each comprised of five members. According to their terms of reference, each committee must include independent directors. All six independent members of the Board of Directors are involved in the activities of the committees, but it is not possible to establish committees entirely made up of independent directors due to the insufficient ratio of the number of independent directors (six people) to the total number of committee members (20 people). In 2020, the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors held 11 meetings. In addition, an average of three Board meetings were held each month in 2020.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
				<p>Discussion of items on the agendas of committee meetings requires sufficient time, since recommendations expressing the opinions of committee members on agenda items are the basis for an informed decision at a Board meeting.</p> <p>Excessive workload of independent directors contradicts the principle laid down in the Corporate Governance Code about “board members should be able to spend sufficient time working on the board of directors, including on its committees”.</p> <p>All elected members of the Corporate Governance, Nomination and Remuneration Committee have the knowledge, skills and experience required to serve on the Committee. In addition, the Committee is chaired by an independent director.</p> <p>The risks associated with partial compliance with this criterion are minimal.</p> <p>Criterion 3 is partially complied with.</p> <p>The Terms of Reference of the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors of PJSC MMC NORILSK NICKEL set out the Committee’s tasks listed in Recommendation 180 of the Code, excluding Sub-paragraph 7 “Preparing a report on practical implementation of the policies on remuneration due to members of the company’s executive bodies; such report shall be included in the annual report and other documents of the company”.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.8.3	To preview matters related to talent management (succession planning), professional composition and efficiency of the board of directors, a nomination (appointments, HR) committee was set up, predominantly comprised of independent directors.	<ol style="list-style-type: none"> <li data-bbox="518 223 861 425">1. The board of directors set up a nomination committee (or its tasks listed in Recommendation 186 of the Code are fulfilled by another committee⁵) predominantly comprised of independent directors. <li data-bbox="518 425 861 627">2. The company's internal documents set out the tasks of the nomination committee (or the tasks of the relevant committee with combined functions), including those listed in Recommendation 186 of the Code. 	☑ Partial compliance	<p data-bbox="1053 223 1396 585">Criterion 1 is complied with. The Company integrates the functions of the Nomination Committee within the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors. The Committee is made up of five members of the Board of Directors – four independent directors and one non-executive director (who are not the issuer's sole executive body and/or members of its collegial executive body).</p> <p data-bbox="1053 606 1396 1276">Criterion 2 is partially complied with. The Terms of Reference of the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors of PJSC MMC NORILSK NICKEL set out all the tasks listed in Recommendation 186 of the Code, excluding Sub-paragraph 4 "Description of individual duties of directors and the chairman of the board of directors, including time they should spend on issues related to the company's activities, both at and outside the board meetings, in the course of planned and unplanned work. Such descriptions (which shall be prepared separately for the board members and the chairman of the board of directors) must be approved by the board of directors and provided to each new board member and the chairman for review after their election".</p> <p data-bbox="1053 1298 1396 1964">The main duties of members of the Board of Directors (including the Chairman of the Board of Directors) are prescribed in the Regulations on the Board of Directors. The composition of the Company's Board of Directors is quite stable, and the individual duties of each director have already been established. An induction training programme has been developed for newly elected directors to familiarise them, among other things, with the procedures of the Board of Directors. An additional description of directors' duties by the relevant Committee will be purely formal. The risks associated with partial compliance with this criterion are minimal. The Company does not intend to include this task in the functions of the Committee.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.8.4	Taking into account the company's scale of business and level of risks, the company's board of directors made sure that the composition of its committees is fully in line with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.).	1. In the reporting period, the company's board of directors considered whether the composition of its committees was in line with the board's tasks and the company's business goals. Additional committees were either set up or not deemed necessary.	☑ Full compliance	The Company has four Board committees ⁶ : <ul style="list-style-type: none">• Audit and Sustainable Development Committee• Corporate Governance, Nomination and Remuneration Committee• Budget Committee• Strategy Committee

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.8.5	Committees are composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions.	<ol style="list-style-type: none"> 1. Committees of the board of directors are headed by independent directors. 2. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee and the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee. 	☑ Partial compliance	<p>Criterion 1 is partially complied with. According to the Company's internal documents, the Board of Directors has 13 members, including six independent directors. The Company has four Board committees, each comprised of five members. According to their terms of reference, each committee must include independent directors. All six independent members of the Board of Directors are involved in the activities of the committees. If independent directors are elected chairmen of all committees, it will lead to excessive workload of independent directors, which contradicts the principle laid down in the Corporate Governance Code about "board members should be able to spend sufficient time working on the board of directors, including on its committees".</p> <p>Consequently, the Budget Committee and the Strategy Committee are headed by non-executive directors. The Budget Committee and the Strategy Committee each comprise two independent and three non-executive directors. All elected members of the Budget Committee and the Strategy Committee have the knowledge, skills and experience required to serve on the committees. Committee chairmen ensure their efficient performance.</p> <p>The risks associated with partial compliance with this criterion are minimal.</p>
2.8.6	Committee chairmen inform the board of directors and its chairman on the performance of their committees on a regular basis.	<ol style="list-style-type: none"> 1. In the reporting period, committee chairmen reported to the board of directors on the performance of committees on a regular basis. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
2.9 The board of directors ensures performance assessment of the board of directors, its committees, and members of the board of directors.				
2.9.1	The board of directors' performance assessment is aimed at determining the efficiency of the board of directors, its committees and members, consistency of their work with the company's growth requirements, as well as at bolstering the work of the board of directors and identifying areas for improvement.	<ol style="list-style-type: none"> 1. Self-assessment or external assessment of the board of directors' performance carried out in the reporting period included performance assessment of committees, individual directors and the board of directors in general. 2. Results of self-assessment or external assessment of the board of directors' performance carried out in the reporting period were reviewed at the meeting of the board of directors held in person. 	☑ Full compliance	
2.9.2	Performance of the board of directors, its committees and members is assessed regularly at least once a year. An external advisor is engaged at least once in three years to conduct an independent assessment of the board of directors' performance.	<ol style="list-style-type: none"> 1. The company engaged an external advisor to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods. 	☑ Full compliance	
3.1 The company's corporate secretary ensures efficient ongoing interaction with shareholders, coordinates the company's efforts to protect shareholder rights and interests, and supports efficient performance of the board of directors.				
3.1.1	The corporate secretary has the knowledge, experience and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders.	<ol style="list-style-type: none"> 1. The company has adopted and disclosed an internal document – regulations on the corporate secretary. 2. The biographical data of the corporate secretary are published on the corporate website and in the company's annual report with the same level of detail as for members of the board of directors and the company's executives. 	☑ Full compliance	
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and has the powers and resources required to perform his/her tasks.	<ol style="list-style-type: none"> 1. The board of directors approves the appointment, dismissal and additional remuneration of the corporate secretary. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
4.1	Remuneration payable by the company is sufficient to attract, motivate and retain people with competencies and qualifications required by the company. Remuneration payable to directors, executive bodies and other key executives of the company is in compliance with the approved remuneration policy of the company.			
4.1.1	The amount of remuneration paid by the company to directors, executive bodies and other key executives creates sufficient incentives for them to work efficiently while enabling the company to engage and retain competent and qualified specialists. At the same time, the company avoids unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of the above persons and company employees.	1. The company has in place an internal document (internal documents) – the policy (policies) on remuneration of directors, executive bodies and other key executives, which clearly defines the approaches to remuneration of the above persons.	☑ Partial compliance	<p>The new version of the Remuneration Policy for Members of the Board of Directors of PJSC MMC NORILSK NICKEL was approved at the Annual General Meeting of Shareholders reviewing the 2019 performance (Minutes No. 1 dated 14 May 2020).</p> <p>The Policy describes the key principles and parameters of the remuneration system for members of PJSC MMC NORILSK NICKEL's Board of Directors, the structure of remuneration for non-executive Board members (base remuneration, additional remuneration for serving on Board committees/chairing one of the Board committees) and the Chairman of the Board of Directors, procedures for reimbursing incurred expenses, as well as liability insurance and indemnification.</p> <p>The principles and basic mechanisms of the remuneration (expense reimbursement) system for members of executive bodies are set forth in the Articles of Association, the Regulations on the Management Board, and other internal documents of the Company.</p> <p>In particular, the Company has in place the following internal documents:</p> <ul style="list-style-type: none"> • Regulations on Annual Performance Bonuses for Head Office Employees of PJSC MMC NORILSK NICKEL approved by Order of the CEO – Chairman of the Management Board of OJSC MMC Norilsk Nickel No. GMK/43-p dated 14 July 2014 • Regulations on Implementing the Long-Term Remuneration Programme for Key Employees of the Norilsk Nickel Group approved by Order of the President of PJSC MMC NORILSK NICKEL No. GMK/134-p dated 30 December 2015 • Regulations on Remuneration for Employees of Business Units of the Head Office of PJSC MMC NORILSK NICKEL approved by Order of the CEO of OJSC MMC Norilsk Nickel No. GMK/49-p dated 26 April 2002

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
4.1.2	<p>The company's remuneration policy is devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, ensures control over the introduction and implementation of the company's remuneration policy, revising and amending it as required.</p>	<p>1. In the reporting period, the remuneration committee considered the remuneration policy (policies) and its (their) introduction practices and presented relevant recommendations to the board of directors as required.</p>	<p>☑ Partial compliance</p>	<p>The Corporate Governance, Nomination and Remuneration Committee of the Board of Directors monitored the implementation of the remuneration policy (system) so as to develop proposals on its efficiency improvement. Recommendations of the Corporate Governance, Nomination and Remuneration Committee were communicated to, and considered by, the Board of Directors.</p>
4.1.3	<p>The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration due to directors, executive bodies and other key executives of the company, and regulates all types of payments, benefits and privileges provided to such persons.</p>	<p>1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to directors, executive bodies and other key executives of the company, and regulates (regulate) all types of payments, benefits and privileges provided to such persons.</p>	<p>☑ Partial compliance</p>	<p>The Company's remuneration system includes the procedure for determining (setting) the amount of remuneration due to members of the Board of Directors and executive bodies. The remuneration policy (system) in place at the Company broadly complies with the transparency criterion.</p> <p>The procedure for determining the amount of remuneration due to members of the Board of Directors is set forth in the Remuneration Policy for Members of the Board of Directors of PJSC MMC NORILSK NICKEL, and is determined by resolution of the General Meeting of Shareholders.</p> <p>The aggregate remuneration payable to the President and members of the Management Board is comprised of basic salary and bonuses (variable part). The variable part of remuneration depends on the Company's performance and is determined by both financial and non-financial indicators.</p> <p>The mechanism for determining the amount of the variable part of the remuneration payable to members of the Management Board is based on key performance indicators. Key performance indicators are reviewed and updated by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors on an annual basis.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
4.1.4	The company determines a policy on reimbursement (compensation) of expenses detailing a list of reimbursable expenses and specifying service levels that directors, executive bodies and other key executives of the company may claim. Such policy can make part of the company's remuneration policy.	1. The remuneration policy (policies) or other internal documents of the company define the rules for reimbursement of expenses incurred by directors, executive bodies and other key executives of the company.	☑ Full compliance	
4.2	The remuneration system for members of the board of directors ensures alignment of financial interests of directors with long-term financial interests of shareholders.			
4.2.1	The company pays fixed annual remuneration to its directors.	1. Fixed annual remuneration was the only form of monetary remuneration payable to directors for their service on the board of directors during the reporting period.	☑ Full compliance	
4.2.2	The company does not pay remuneration for attending individual meetings of the board of directors or its committees.	1. If the company's internal document(s) – the remuneration policy (policies) stipulates (stipulate) provision of company shares to members of the board of directors, clear rules for share ownership by board members shall be defined and disclosed, aimed at stimulating long-term ownership of such shares.	☑ Full compliance	
No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
4.2.3	The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure resulting from a change of control or any other reasons.	1. The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure resulting from a change of control or any other reasons.	☑ Partial compliance	<p>The Company's remuneration policy (system) does not provide for any extra payments or compensations in the event of early termination of directors' tenure resulting from a change of control or any other reasons.</p> <p>The only exception is made for the incumbent Chairman of the Board of Directors. The General Meeting of Shareholders resolved to make additional payments to the incumbent Chairman of the Board of Directors of the Company in the event of the above.</p> <p>This exception is due to the unique business skills and high demand for this specialist, who is one of the most experienced and professional managers at the international level, with significant experience in the metals and mining sector.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
4.3	The company considers its performance and the personal contribution of each executive to the achievement of such performance when determining the amount of a fee payable to members of executive bodies and other key executives of the company.			
4.3.1	Remuneration due to members of executive bodies and other key executives of the company is determined in a manner providing for reasonable and justified ratio of the fixed part of remuneration and the variable part which depends on the company's performance and the employee's personal (individual) contribution.	<ol style="list-style-type: none"> 1. In the reporting period, annual performance targets approved by the board of directors were used to determine the amount of the variable part of remuneration due to members of executive bodies and other key executives of the company. 2. During the latest assessment of the remuneration system for members of executive bodies and other key executives of the company, the board of directors (remuneration committee) made sure that the company applies an efficient ratio of the fixed and variable parts of remuneration. 3. The company has in place a procedure that guarantees return to the company of bonus payments illegally received by members of executive bodies and other key executives of the company. 	☒ Partial compliance	<p>Criterion 1 is partially complied with. Annual KPIs were used to determine the amount of the variable part of remuneration due to members of executive bodies. These final (annual) KPIs were preliminarily analysed and assessed by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors.</p> <p>Criterion 2 is partially complied with. The Corporate Governance, Nomination and Remuneration Committee of the Board of Directors assesses the remuneration system for the Company's executive bodies on an annual basis. Based on the results of the most recent assessment, recommendations were made to change the variable part of remuneration.</p> <p>Criterion 3 is partially complied with. Applicable laws stipulate a legal mechanism for the Company to recover bonus payments illegally received by employees (including members of the Company's executive bodies). The mechanism is quite effective and can be used whether or not it (or a reference thereto) is included in the Company's internal documents.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
4.3.2	The company has in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of company shares (options and other derivative instruments where company shares are the underlying asset).	<ol style="list-style-type: none"> 1. The company has in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of company shares (financial instruments based on company shares). 2. The long-term incentive programme for members of executive bodies and other key executives of the company implies that the right to dispose of shares and other financial instruments used in this programme takes effect at least three years after such shares or other financial instruments are granted. The right to dispose of such shares or other financial instruments is linked to the company's performance targets. 	<input checked="" type="checkbox"/> No compliance	The Company considers introducing various motivation programmes for employees of the Norilsk Nickel Group including members of executive bodies, focusing in particular on promoting legislative initiatives aimed at improving the legal regulation of the acquisition by a joint stock company of its own shares.
4.3.3	The compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, does not exceed the double amount of the fixed part of their annual remuneration.	<ol style="list-style-type: none"> 1. In the reporting period, the compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed part of their annual remuneration. 	<input checked="" type="checkbox"/> Full compliance	
5.1	The company has in place an effective risk management and internal control system providing reasonable assurance in the achievement of the company's goals.			
5.1.1	The company's board of directors determined the principles of, and approaches to, setting up a risk management and internal control system at the company.	<ol style="list-style-type: none"> 1. Functions of different governance bodies and business units of the company in the risk management and internal control system are clearly defined in the company's internal documents/relevant policy approved by the board of directors. 	<input checked="" type="checkbox"/> Full compliance	
5.1.2	The company's executive bodies ensure establishment and continuous operation of an efficient risk management and internal control system at the company.	<ol style="list-style-type: none"> 1. The company's executive bodies ensured the distribution of functions and powers related to risk management and internal control between the heads (managers) of business units and departments accountable to them. 	<input checked="" type="checkbox"/> Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
5.1.3	The company's risk management and internal control system ensures an objective, fair and clear view of the current state and future prospects of the company, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure.	<ol style="list-style-type: none"> 1. The company has approved an anti-corruption policy. 2. The company has established an accessible method of notifying the board of directors or the board's audit committee of breaches or any violations of the law, the company's internal procedures and code of ethics. 	☑ Full compliance	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's current risk management and internal control system is consistent with the principles of, and approaches to, its setup determined by the board of directors, and that it functions efficiently.	<ol style="list-style-type: none"> 1. In the reporting period, the board of directors or the board's audit committee assessed the performance of the company's risk management and internal control system. Key results of this assessment are included in the company's annual report. 	☑ Full compliance	
5.2 The company performs internal audits for regular independent assessment of the reliability and efficiency of its risk management and internal control system, as well as corporate governance practices.				
5.2.1	The company has set up a separate business unit or engaged an independent external organisation to carry out internal audits.	<ol style="list-style-type: none"> 1. To perform internal audits, the company has set up a separate business unit – internal audit division functionally reporting to the board of directors or to the audit committee, or engaged an independent external organisation with the same line of reporting. 	☑ Full compliance	
5.2.2	Functional and administrative reporting lines of the internal audit unit are delineated. The internal audit unit functionally reports to the board of directors.	<ol style="list-style-type: none"> 1. In the reporting period, the performance of the internal control and risk management system was assessed as part of the internal audit procedure. 2. The company applies generally accepted approaches to internal control and risk management. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
6.1	The internal audit division assesses the performance of the internal control, risk management, and corporate governance systems. The company applies generally accepted standards of internal audit.			
6.1.1	The company has developed and implemented an information policy ensuring efficient exchange of information by the company, its shareholders, investors and other stakeholders.	<ol style="list-style-type: none"> 1. The company's board of directors approved an information policy developed in accordance with the Code's recommendations. 2. The board of directors (or one of its committees) considered matters related to the company's compliance with its information policy at least once in the reporting period. 	☑ Full compliance	
6.1.2	The company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code.	<ol style="list-style-type: none"> 1. The company discloses information on its corporate governance system and general principles of corporate governance, including disclosure on its website. 2. The company discloses information on the composition of its executive bodies and board of directors, independence of directors and their membership in the board of directors' committees (as defined by the Code). 3. If the company has a controlling person, the company publishes a memorandum of the controlling person setting out this person's plans for the company's corporate governance. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
6.2	The company makes timely disclosures of complete, up-to-date and reliable information about the company to allow shareholders and investors to make informed decisions.			
6.2.1	The company discloses information based on the principles of regularity, consistency and promptness, as well as availability, reliability, completeness and comparability of disclosed data.	<ol style="list-style-type: none"> 1. The company's information policy sets out the approaches to, and criteria for, identifying information that can have a material impact on the company's evaluation and the price of its securities, as well as procedures ensuring timely disclosure of such information. 2. If company securities are traded on foreign organized markets, the company ensured concerted and equivalent disclosure of material information in the Russian Federation and in the said markets in the reporting year. 3. If foreign shareholders hold a significant amount of the company shares, the relevant information was disclosed in the reporting period both in the Russian language and in one of the most widely used foreign languages. 	☑ Full compliance	
6.2.2	The company avoids a formalistic approach to information disclosure and discloses material information about its operations, even if disclosure of such information is not required by law.	<ol style="list-style-type: none"> 1. In the reporting period, the company disclosed annual and semi-annual financial statements prepared under the IFRS. The company's annual report for the reporting period included annual financial statements prepared under the IFRS, along with the auditor's report. 2. The company discloses complete information about its capital structure, as stated in Recommendation 290 of the Code, in its annual report and on the corporate website. 	☑ Full compliance	
6.2.3	The company's annual report, as one of the most important tools of its information exchange with shareholders and other stakeholders, contains information enabling assessment of the company's annual performance results.	<ol style="list-style-type: none"> 1. The company's annual report contains information about the key aspects of its operational and financial performance. 2. The company's annual report contains information about the environmental and social aspects of the company's operations. 	☑ Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
6.3	The company provides information and documents requested by its shareholders in accordance with the principles of equal and unhindered access.			
6.3.1	The company provides information and documents requested by its shareholders in accordance with the principles of equal and unhindered access.	1. The company's information policy establishes the procedure for providing shareholders with easy access to information, including information on legal entities controlled by the company, as requested by shareholders.	☑ Full compliance	<p>Under the Company's Regulations on the Information Policy (the "Regulations"), the procedure and turnaround times for providing access to the Company's documents are to be set out in an internal document of the Company published on the Company's website.</p> <p>Pursuant to the above provision of the Regulations, information on the procedure for providing copies of the Company's documents upon request of security holders and other stakeholders is disclosed by the Company on its website at: https://www.nornickel.ru/upload/iblock/d5c/Poryadok_predostavleniya_dokumentov_PAO_GMK_NN.pdf.</p> <p>The procedure does not involve any complex steps preventing shareholders from obtaining documents of the Company or its controlled entities.</p> <p>Additionally, documents that are subject to disclosure by the Company under Russian laws and containing information on controlled persons are freely available on the Company's website under the Investors section.</p> <p>In particular, information on controlled entities is provided in Annual Reports, Sustainability Reports, Issuer's Quarterly Reports, IFRS Consolidated Financial Statements, Production Results updates and Capital Markets Day presentations.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
6.3.2	When providing information to shareholders, the company ensures reasonable balance between the interests of particular shareholders and its own interests consisting in preserving the confidentiality of important commercial information which may materially affect its competitive edge.	<ol style="list-style-type: none"> 1. In the reporting period, the company did not refuse shareholders' requests for information, or such refusals were justified. 2. In cases defined by the information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality. 	☑ Full compliance	
7.1	Actions that materially affect or may affect the company's authorised capital structure and financial position and accordingly the position of its shareholders (material corporate actions) are taken on fair terms ensuring that the rights and interests of shareholders and other stakeholders are observed.			
7.1.1	Material corporate actions include company reorganisation, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of material transactions, increase or decrease of the company's authorised capital, listing or delisting of company shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's articles of association provide for a list (criteria) of transactions or other actions classified as material corporate actions, and these actions are referred to the remit of the company's board of directors.	<ol style="list-style-type: none"> 1. The company's articles of association include a list of transactions or other actions classified as material corporate actions, and their identification criteria. Resolutions on material corporate actions are referred to the remit of the board of directors. When execution of such corporate actions is expressly referred by law to the remit of the general meeting of shareholders, the board of directors presents relevant recommendations to shareholders. 2. According to the company's articles of association, material corporate actions include at least: company reorganisation, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of material transactions, increase or decrease of the company's authorised capital, listing or delisting of company shares. 	☑ Partial compliance	<p>Criteria 1 and 2 are partially complied with.</p> <p>The Company's Articles of Association do not formally stipulate a list of actions and transactions that are material corporate actions for the Company.</p> <p>At the same time, the Company's Articles of Association identify certain corporate actions and transactions, resolutions on which are referred to the remit of the Board of Directors due to their significance for the Company. Thus, the Company defines these actions and transactions as material and establishes the procedure for passing relevant resolutions recommended by the Code. The list of such actions and transactions largely follows Recommendations 303 and 307 of the Code, but also includes other events and transactions of particular importance to the Company.</p>

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
				<p>When addressing the matter of arranging and holding the General Meeting of Shareholders, the Board of Directors makes recommendations to shareholders for voting on all agenda items, including those defined in Recommendation 303 of the Code as material corporate actions – reorganisation, delisting, and increase of the authorised capital. In accordance with the Company's Articles of Association, approval of a number of other transactions, in addition to major transactions and interested party transactions, is referred to the remit of the Board of Directors, including:</p> <ul style="list-style-type: none"> • transactions with Company shareholders holding more than 5% of voting shares, and their affiliates • transactions worth over USD 200 mln • transactions worth over USD 20 mln excluding transactions entered into in the ordinary course of business • transactions associated with purchase, disposal or encumbrance of any securities and derivative financial instruments worth over USD 5 mln • transactions associated with purchase/sale of any business/enterprise, exclusive rights, real estate, licences, concessions and other rights to develop and extract mineral resources, outside the Russian Federation, worth over USD 5 mln. <p>The Company's voting procedure at general meetings of shareholders/participants of subsidiaries on the approval of the above transactions is also referred to the remit of the Board of Directors.</p>



No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
7.1.2	The board of directors plays a key role in passing resolutions or making recommendations on material corporate actions, relying on the opinions of the company's independent directors.	1. The company has in place a procedure enabling independent directors to express their opinions on material corporate actions prior to approval thereof.	<input checked="" type="checkbox"/> Full compliance	
7.1.3	When taking material corporate actions affecting the rights and legitimate interests of shareholders, equal terms and conditions are guaranteed for all shareholders; if the statutory procedure designed to protect shareholder rights proves insufficient, additional measures are taken to protect their rights and legitimate interests. In doing so, the company is guided by the corporate governance principles set forth in the Code, as well as by formal statutory requirements.	1. Due to the specifics of the company's operations, the company's articles of association contain less stringent minimum criteria for material corporate actions than required by law. 2. All material corporate actions in the reporting period were duly approved before they were taken.	<input checked="" type="checkbox"/> Full compliance	
7.2	The company takes material corporate actions in such a way as to ensure that shareholders timely receive complete information about such actions, allowing them to influence such actions and guaranteeing adequate protection of their rights when taking such actions.			
7.2.1	Information about material corporate actions is disclosed with explanations of the grounds, circumstances and consequences.	1. In the reporting period, the company disclosed information about its material corporate actions in due time and in detail, including the grounds for, and timelines of, such actions.	<input checked="" type="checkbox"/> Full compliance	

No.	Corporate governance principles	Compliance criteria	Compliance status ²	Reasons ³ for non-compliance
7.2.2	Rules and procedures related to material corporate actions taken by the company are set out in the company's internal documents.	<ol style="list-style-type: none"> 1. The company's internal documents set out a procedure for engaging an independent appraiser to estimate the value of assets either disposed of or acquired in a major transaction or an interested party transaction. 2. The company's internal documents set out a procedure for engaging an independent appraiser to estimate the value of shares acquired and bought back by the company. 3. The company's internal documents provide for an expanded list of grounds on which the company's directors and other persons as per the applicable law are deemed to be interested parties to the company's transactions. 	☑ Partial compliance	Criteria 1 and 2 are partially complied with. The Company engages an independent appraiser in all cases stipulated by law. An independent appraiser can be engaged at the initiative of members of the Board of Directors.

Notes:

1. The reporting year is indicated, and if the Corporate Governance Code Compliance Report contains data for the period from the end of the reporting year to the date of this report, the date of this report is indicated.
2. Full compliance" means that the company meets all the compliance criteria. Otherwise, a "Partial compliance" or "No compliance" status is used.
3. Reasons for partial compliance or non-compliance are provided for each compliance criterion in case the company only complies with the criteria partially or does not comply with any of them. If the company's compliance status is indicated as "Full compliance", no explanation is required.
4. Specify which of the two alternative approaches permitted by the principle has been implemented in the company and explain why this approach was chosen.
5. If the tasks of the nomination committee are fulfilled by another committee, the name of the latter committee must be indicated.
6. A list of additional committees set up at the company must be provided.