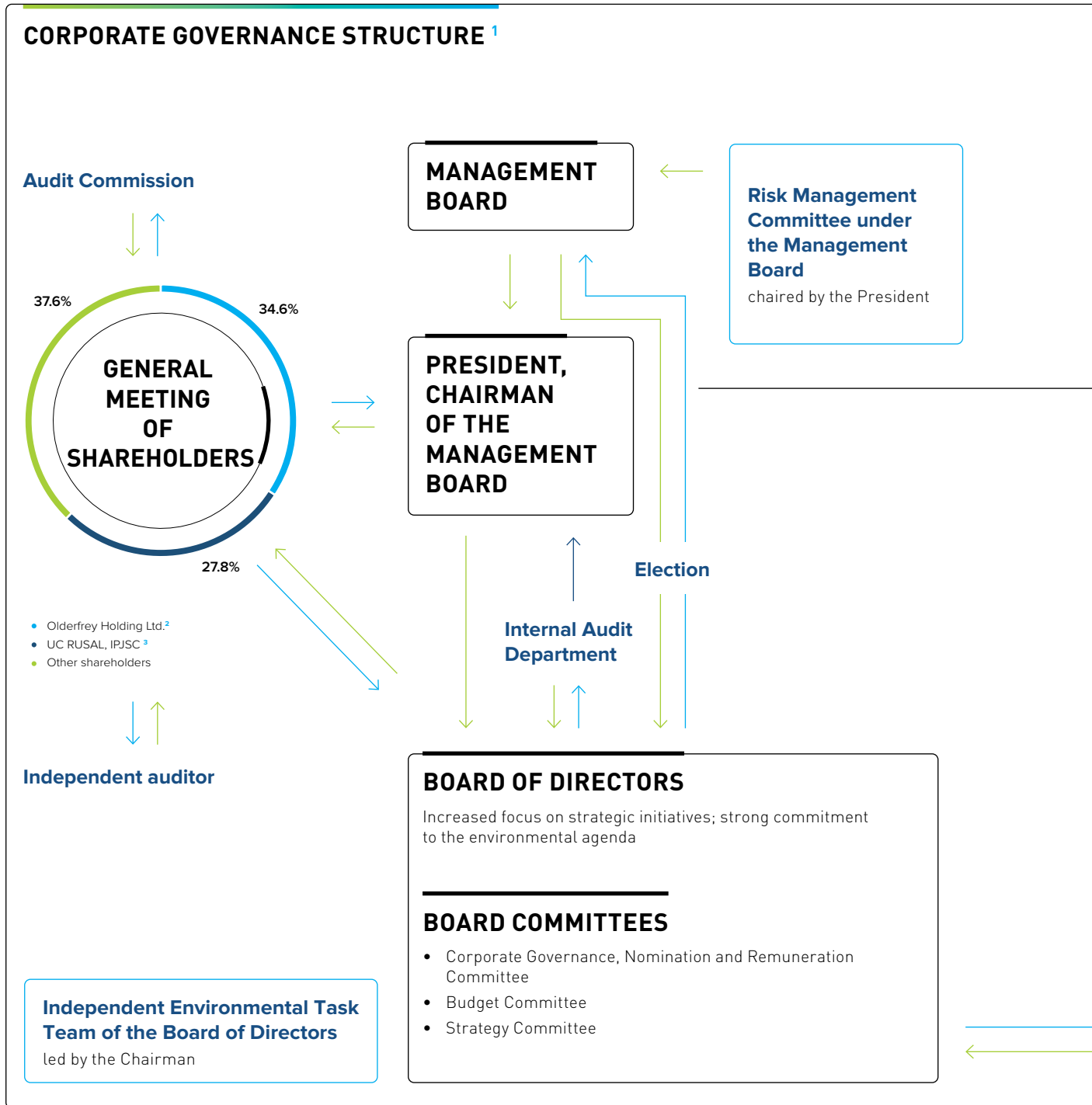


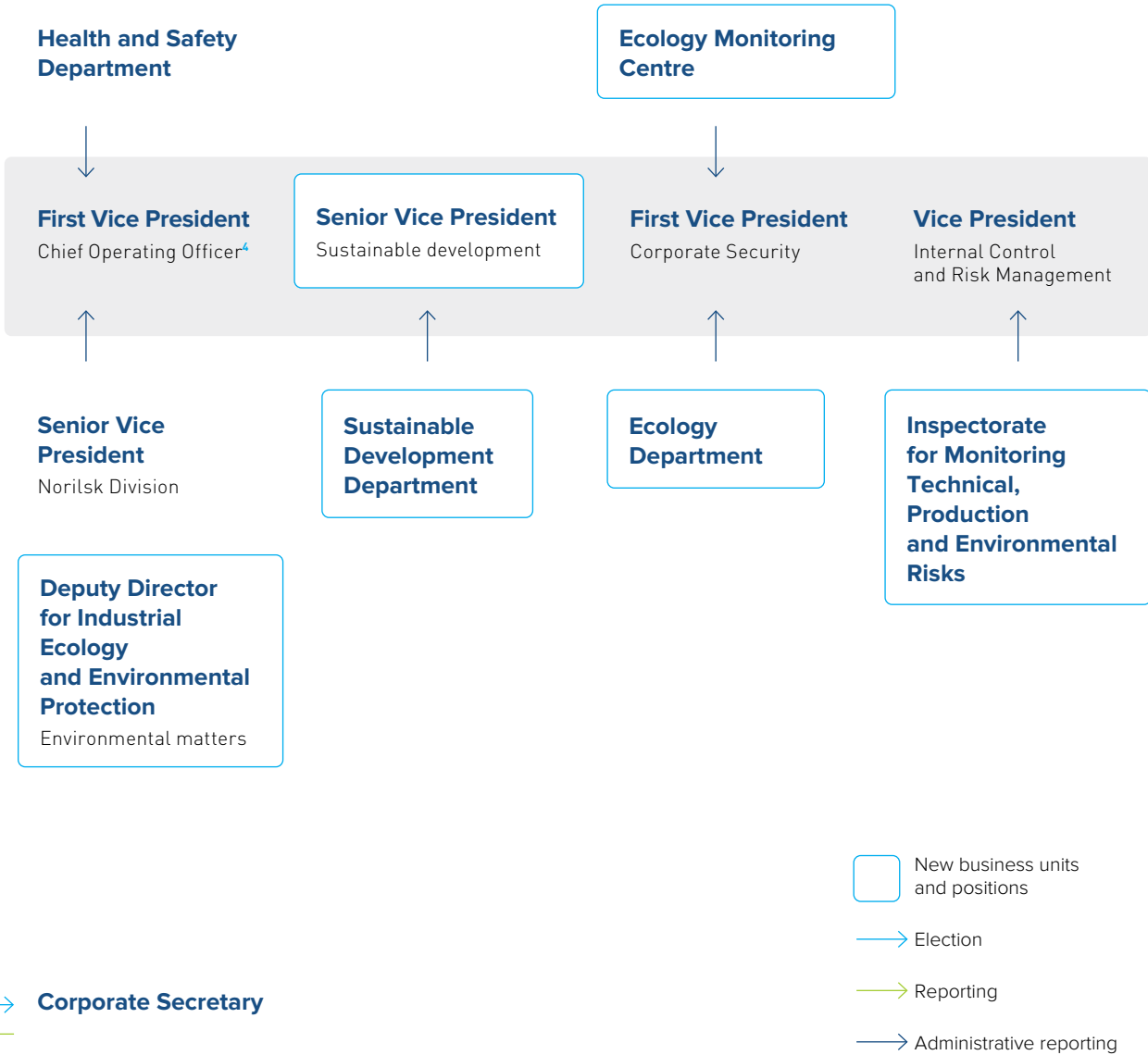
CORPORATE GOVERNANCE STRUCTURE



¹ The corporate governance chart includes new structures dealing with environmental matters.

² Indirect ownership via controlled persons.

³ Direct and indirect ownership via controlled persons. IPJSC EN+ Group owns 56.88% of voting shares in UC RUSAL, IPJSC.



⁴ 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.

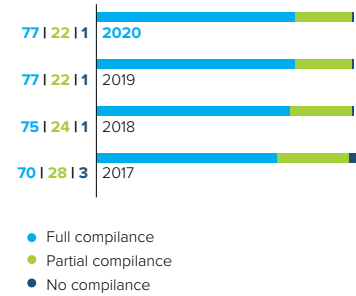
COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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.¹

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

¹ 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.