

CORPORATE GOVERNANCE

In 2021, the Company paid particular attention to improving its sustainability and climate change management:

- ⇒ The Environmental and Climate Change Strategy was approved
- ⇒ The Sustainable Development and Climate Change Committee was set up
- ⇒ Five ESC policies were updated, and six new policies were adopted



Maintaining the high quality of corporate governance is Nornickel's absolute priority. Its robust corporate governance system has become one of the Company's key enablers in achieving its strategic goals.

LETTER FROM DEPUTY CHAIRMAN



Nornickel is one of the world's largest metals companies for production, reserves and market capitalisation. In 2021, the Company successfully tackled the challenges that the entire global economy has faced in recent years. To retain its leadership in the market, the Company promptly and efficiently adapted its business processes to the new conditions.

The challenges of the reporting year, especially its first half, repeatedly tested Nornickel's resilience. However, they provided a new perspective on the Company's priorities and its global goal – building safe, cutting-edge and environmentally clean production while ensuring steady business growth. Changes in the governance structure substantially enhanced the previously adopted range of measures to increase the level of responsibility of local managers, improved operations and investments while strengthening industrial safety and environmental risk management practices.

Nornickel's strong sustainable development in the second half of 2021 provides the Company with an optimistic outlook on the achievement of its long-term priorities.

High quality of corporate governance is Nornickel's absolute priority. The Company consistently enhances its corporate standards to reflect the global trends and meet the requirements of regulatory authorities and other stakeholders. This consistent effort makes Nornickel a public Company that respects its shareholders' rights and interests, and maintains a dialogue with the investment community.

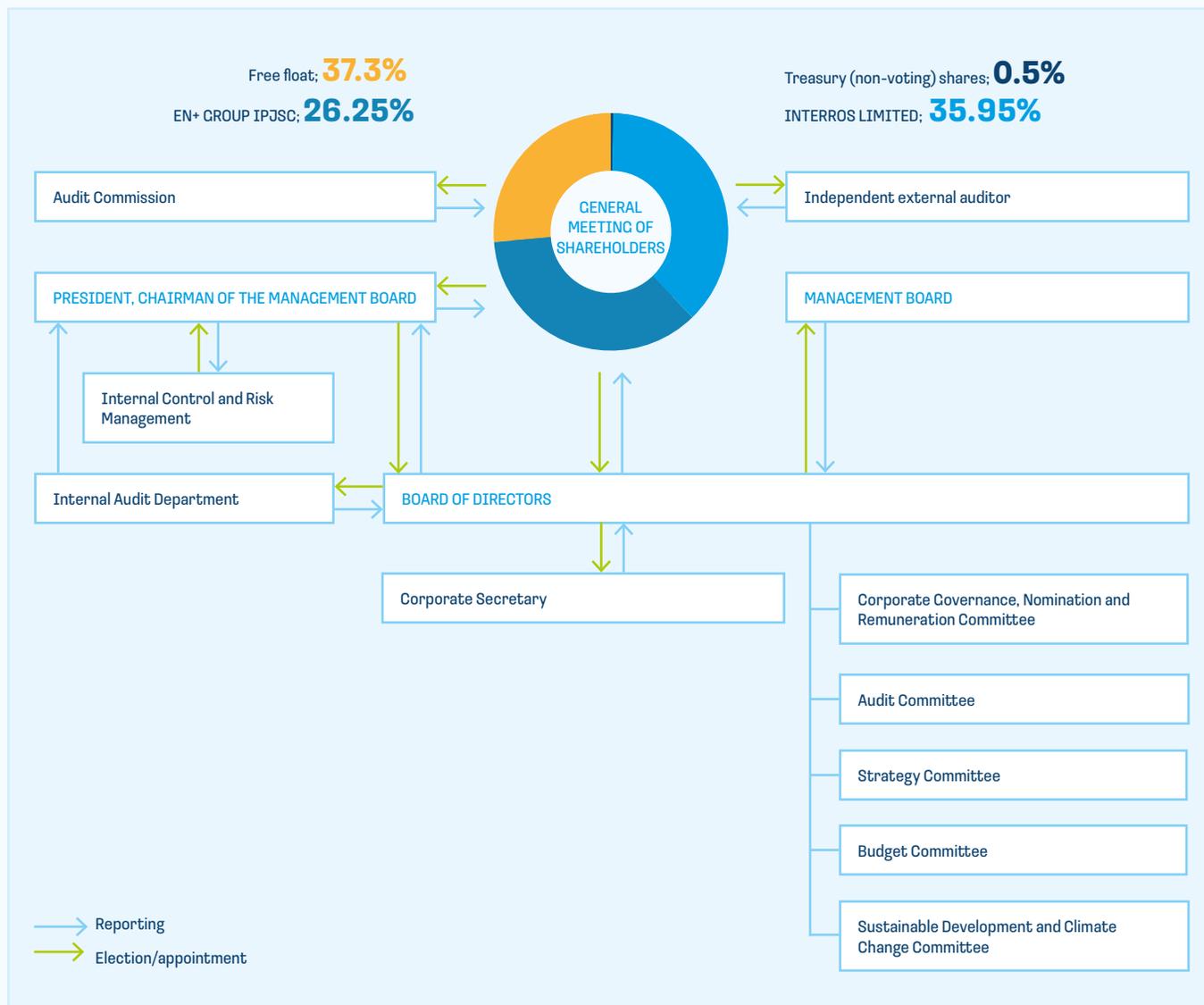
In 2021, the Board of Directors and its committees closely monitored the development across the Company's key business areas. Areas that the Company focused on during the reporting year included major investment projects, social and charity programmes, as well as achievement of corporate industrial safety and environmental objectives.

Its efficient corporate governance system has always been, and still remains, one of Nornickel's key tools to achieve strategic goals. In the upcoming year, the Board of Directors will continue to actively participate in the development of the Company's priority areas in the best interests of its shareholders, as well as to maintain its competitive edge.

SERGEY BATEKHIN

Deputy Chairman
of the Board of Directors
MMC Norilsk Nickel

Corporate governance structure as of 31 December 2021



Key principles

In its corporate governance practice, Nor nickel is governed by applicable laws, listing rules, and recommendations of the Corporate Governance Code. Nor nickel's corporate governance system is designed

to balance the interests of its shareholders, the Board of Directors, management and employees, as well as other stakeholders involved in the Company's activities. The approach, key principles and mechanisms

underpinning Nor nickel's efforts to build a robust corporate governance system are based on the applicable Russian laws, including the Corporate Governance Code recommended by the Bank of Russia.

Key corporate governance principles

Strategic management of the Company by the Board of Directors

Equitable and fair treatment of every shareholder

Ensuring transparency of information about the Company

Effective Risk Management and Internal Control Service

Sustainable development

Accountability of the Board of Directors and executive bodies to shareholders

Professionalism and leadership of the Board of Directors

Improvement of corporate governance

In the reporting period, Nor nickel continued its efforts to build an effective corporate governance system.

The Company maintained a strong focus on enhancing its sustainable development and climate change management. The Board of Directors approved the Environmental and Climate Change Strategy proposed by the Company's Management Board. The Sustainable Development and Climate Change Committee was established at the Board of Directors' level and is chaired by

Gareth Penny, the independent Chairman of the Board of Directors. The Committee comprises five Board members, including four independent directors. The Board of Directors' intention to pay closer attention to sustainability matters, in particular, to environmental protection, was the key reason for the establishment of the new committee.

In 2021, five ESG policies were updated, and six new policies were adopted in line with the requirements of ICMM and IRMA.

These policies include the Climate Change Policy, the Position Statement on Water Stewardship, the Tailings Management Policy, the Responsible Sourcing Policy, the Supplier Code of Conduct, as well as the Stakeholder Engagement Policy. In 2021, Nor nickel was also able to improve its score from international ESG rating agencies: in particular, the ESG score assigned by MCSI, one of the world's leading ESG rating agencies, was raised to "BB", the Company's ESG score from FTSE4Good was 4.3 (4.0

in 2020), and the score from EcoVadis was increased to 48 (33 in 2020).

To further improve corporate governance and meet the Bank of Russia's recommendations for risk management, internal control and internal audit organisation, Nornickel has developed a new version of the Regulations on the Internal Audit Department, which was approved by the Board of Directors in January 2022. The new version of the Regulations stipulates that the Internal Audit Department is responsible for performing an annual evaluation of the Company's corporate governance and auditing the performance of the corporate sustainability risk management system.

In 2022, the Board of Directors plans to approve the corporate governance evaluation methodology designed to be used Nornickel's Internal Audit Department as part of its regular corporate governance evaluation.

The adoption of these documents ensures the codification of the Company's corporate governance evaluation procedure and demonstrates Nornickel's aspiration to enhance its corporate governance system and fully comply with the Corporate Governance Code.

During the reporting year, the Company implemented a range of transformations to enhance its governance model and support its new division-based structure.

In order to meet the Bank of Russia's recommendations to raise information transparency of the securities market, Nornickel has begun to elaborate approaches to defining materiality criteria for the price sensitive information and

events/facts. The codification of the approaches to disclosure of material information and an indicative list of information that qualifies as material in the Company's internal documents allows improving the quality of disclosed information, which is crucial for all stakeholders to make balanced and informed investment decisions.

In 2022, to boost its competitive edge in the domestic and global markets, Nornickel intends to continue its consistent efforts to enhance corporate governance and build an effective disclosure framework that ensures compliance with the principles of transparency and public accessibility in line with applicable laws and global best practices.

The Company implemented a range of transformations to enhance its governance model and support its new division-based structure:

- The Energy Division was set up in July 2021 to enhance performance in governance. The Division is made up of Norilskenergo, a branch of MMC Norilsk Nickel ("Norilskenergo"), and NTEC, Norilskgazprom, Norilsktransgaz, and Taimyr Fuel Company.
- The Company has also introduced the role of Senior Vice President – Operational Director and appointed Sergey Stepanov to this role. He is responsible for coordinating the metals and mining and geological exploration operations. In particular, this role implies supervision over the design and implementation of the respective units' development strategy, and the implementation of the industry investment programme. His responsibility scope also includes

supervision and coordination of the environmental policy's design and implementation, and ensuring compliance with environmental and industrial safety regulations. The Senior Vice President – Operational Director's reports include: Vice President for Ecology and Industrial Safety, Production and Technical Department, Mineral Resources Department, Production Investment Department, Industrial Assets Department, and the Transformation PMO of the Operations. Sergey Stepanov also oversees the Company's Polar Division.

- To ensure efficient implementation of Nornickel's critical programmes, the Company introduced the roles of Vice President for Investment Project Management and Vice President for Ecology and Industrial Safety. All these efforts are intended to boost the Company's most important development areas such as investment and capital construction management, as well as industrial safety and environmental programmes.
- The roles of State Secretary – Vice President for Government Relations and Vice President for Federal and Regional Programmes now report to Senior Vice President – Head of HR, Social Policy and Public Relations in order to establish an optimal end-to-end system of strategic communications that will maximise synergies between Nornickel's units, and to improve engagements between the Company, the public and governmental authorities at various levels in addressing social objectives of the business.

Compliance with the Corporate Governance Code

Nornickel's corporate governance standards are based on the principles and recommendations of the Corporate Governance Code, and the Company continues to implement them consistently.

The implementation of the Corporate Governance Code's principles and recommendations by the Company in 2021 was evaluated using a new format recommended by the Bank of Russia's Letter No. IN-06-28/102 dated 27 December 2021.

Nornickel's corporate practices cover most of the Corporate Governance Code's principles and recommendations. For the full 2021 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](#) to this Annual Report.

Implementation of the Corporate Governance Code principles and recommendations in 2021

Corporate governance principles	Full compliance	Partial compliance	No compliance
Rights and equal opportunities for shareholders in exercising their rights	9	4	-
Board of Directors	28	8	-
Corporate Secretary	2	-	-
Remuneration system for members of the Board of Directors and senior management	6	4	-
Risk management and internal control framework	5	1	-
Company disclosures	4	3	-
Material corporate actions	3	2	-

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.

In February 2021, Nornickel held its traditional dialogue with stakeholders, including employees, governmental authorities, businesses, local communities, environmental organisations, and other experts. The Company annually invites a wide range of experts to a dialogue in order to take into account the opinions of all its stakeholders. Due to the COVID-19

pandemic, this traditional event was moved online for the first time, instead of taking place across the cities within Nornickel's footprint.

A well-built and clear corporate governance system, 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.

DIALOGUE WITH INVESTORS

Nornickel's senior management 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, issuer reports, corporate action notices, as well as interactive tools. With Nornickel's growth story appealing to international investors as well, the Company provides parallel disclosure both in Russian and in English, the latter via a disclosure service authorised by the UK regulator.

Nornickel's quarterly disclosures via its website include its operating performance reports and financial statements under RAS. 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. Starting from 2021, issuer reports and lists of affiliates have also been published every six months. Nornickel also holds an annual Capital Markets Day to share its updates on the corporate long-term strategy until 2030, focusing on sustainability and efforts to reduce environmental footprint. To maintain strong investor relations, the Company makes extensive use of various communication tools, including conference speaking opportunities, road shows, site visits for investors, etc.



For more details on investor relations, please see the [Shareholder Information](#) chapter of the Investor Relations section of this Annual Report.



1 Information about upcoming events is posted in the [IR Calendar](#) on the corporate website.

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. The COVID-19 pandemic, production upgrades and ambitious investment projects transform the approaches to work, routines, as well as to health, safety, and environmental issues. To retain its leadership in the market, the Company needs to address new challenges, which is almost impossible without employee involvement. During the Nornickel Live annual video conference, Nornickel's vice presidents answered employee questions and spoke about the Company's news and future plans. In October 2021, Nornickel held its Challenges 2021, a 2-hour autumn video conference for managers, where the Company's vice presidents discussed key topics such as operating and living in a fast-paced world. Higher salaries, new work patterns that emerged during the pandemic, changes in attitude towards health, safety and environmental issues are but some topics that were on the agenda of the video conference. The Challenges 2021 conference launched a new series of corporate dialogues, which took place across 40 Nornickel enterprises in October and November. In line with its practice, Nornickel also held autumn and winter 1.5-hour conferences across over 40 enterprises, both offline and online, where top managers spoke to employees about current hot topics, such as enterprises' key highlights, new equipment procurement plans, important coronavirus and vaccination issues, improvement of living conditions, special assessment of working conditions, the corporate social policy opportunities for employees, the Code of Business Ethics, as well as employees' concerns.

DIALOGUE WITH LOCAL AND INTERNATIONAL ORGANISATIONS

During the 11th international forum Arctic: Today and the Future in Saint Petersburg, Nornickel and the Russian Far East and Arctic Development Corporation (FEDC) signed a strategic partnership agreement providing for cooperation in implementing Nornickel's investment projects in the Krasnoyarsk Region, the Zabaykalsky Region and the Murmansk Region. Under the agreement, FEDC will assist the Company in defining support measures for investment, environmental, renewables development, tourism, talent development and supply projects, as well as projects for comprehensive social and economic development within the Company's footprint.

In the reporting year, Nornickel and Russian Platinum launched an operational partnership in the Norilsk Industrial District. The Norilsk Nickel Group enterprises signed a range of service contracts with the Chernogorskaya Mining Company (a Russian Platinum subsidiary) to provide it with energy, transport and logistics services.

Together with the Ministry of Industry and Trade of the Russian Federation and the International Exhibition of Inventions of Geneva, Nornickel co-organised the International Forum of Innovators and the Contest of Inventors IN'HUB 2022, which provides inventors and innovators from over 20 countries with an excellent opportunity to meet large companies and investors, share experiences and start a successful business.

Nornickel signed a cooperation agreement with Financial University under the Government of the Russian Federation. The agreement provides for a joint development and implementation of educational projects, higher education programmes, training and upskilling for Nornickel employees, cooperation in research, and expert and analytical activities to further improve and modernise the education and research processes.

Nornickel signed a cooperation agreement with the Government of the Krasnoyarsk Territory to implement investment projects in the Krasnoyarsk Region. The agreement aims to support businesses that implement investment projects in the region.

Nornickel and the International Chess Federation (Fédération Internationale des Échecs or FIDE) signed a cooperation agreement for 2021–2023, under which the Company will act as FIDE’s title sponsor in the global development of children’s and youth chess. As part of this cooperation, Nornickel will act as a partner of FIDE’s annual world junior championships, FIDE annual world junior under-20 championships, including for girls under 20, as well as a range of other large-scale sports competitions, including World Cup 2021, Women’s World Cup 2021, and Chess Olympiad 2022.

In 2021, the Company acted as a partner of the Your Move national student competition. This is one of the largest student competitions in Russia, with about half a million university students from all over the country expected to take part in it. They will have an opportunity to build a team of like-minded people and put their ideas into practice.

Nornickel signed an agreement with the Fund of Polar Research, which brings together a team of researchers to address scientific, social, cultural, educational, and charitable challenges related to the exploration and development of Polar

regions. The agreement provides for cooperation in analytical, research and practical activities aimed at tackling global challenges of the Russian Arctic zone.

MMC Norilsk Nickel and the Football Union of Russia signed a cooperation agreement for 2021–2023, under which the Company will act as a partner for the Union’s development programmes. The Our Relief talent training programme will be a key cooperation project aimed at creating a system for identifying, training and supporting young football players aspiring to become professionals.

DIALOGUE WITH INDIGENOUS MINORITIES

A department responsible for liaising with indigenous peoples of the North was set up within the Polar Division, and the Indigenous Communities Coordination Council was established.

Nornickel maintains regular relations with indigenous minorities of the Taimyrsky Dolgano-Nenetsky Municipal District, covering all areas of mutual interest and using a comprehensive approach. Due to its dialogue with the Association of Indigenous Peoples of Taimyr, the Company has significantly expanded the scope and improved the format of its engagements with indigenous peoples. Nornickel and the indigenous peoples of Taimyr have launched joint planning processes to develop the infrastructure, trades and economic activities of indigenous communities, and have started to build new industries based on the indigenous way of using natural resources to process products and achieve higher added value, thereby creating conditions for sustainable development of the communities and settlements of the Taimyrsky Dolgano-Nenetsky District.

In 2021, support for the indigenous peoples of Taimyr experienced a fundamental change and was stepped up dramatically. This change was made possible by the signing of a four-party agreement on interaction and cooperation with associations of indigenous peoples of the Russian North, Siberia and the Far East, the Krasnoyarsk Region, and the Taimyrsky Dolgano-Nenetsky Municipal District in September 2020. The agreement served as a basis for a five-year programme to promote the social and economic development of Taimyr until 2024, with a total funding of around RUB 2 billion. The programme outlines over 40 measures and covers traditional economic activities of the indigenous peoples of Taimyr, home construction in local settlements, healthcare, education, culture, sports, and tourism. Public organisations, family communities of indigenous peoples of the North and local community authorities were closely involved in the development of the Programme

In 2021, Nornickel launched a free, prior and informed consent (FPIC) procedure and used it to discuss options for the relocation of Tukhard residents. In 2021, the Company signed partnership and cooperation agreements with the Kola Sámi Association.



For more details on interaction with indigenous peoples of the North, please see the [Social Investments](#) section of this Annual Report.

GOVERNMENT RELATIONS

Nornickel interacts with federal legislative and executive authorities, and civil society institutions. Nornickel is represented and promotes its interests in 25 committees, councils, commissions, expert panels, and working groups established by the government in association with the business community, thus supporting socially important projects. Nornickel also actively participates in the work of regional authorities' expert councils within its footprint.

The Company's representatives take part in parliamentary hearings and round table discussions organised by the Federation Council and State Duma of the Federal Assembly of the Russian Federation, Government of the Russian Federation, Russian Union of Industrialists and Entrepreneurs (RSPP), Civic Chamber of the Russian Federation, Chamber of Commerce and Industry of the Russian Federation, the Association of Managers interregional public organisation, etc.

Nornickel's experts engage in draft regulation discussions as part of open government and local councils under federal executive bodies, as well as in anti-corruption due diligence and regulatory impact assessments. This all helps to maintain a constructive dialogue with the government, cut red tape and improve the country's business climate. MMC Norilsk Nickel's representatives are also part of various working groups created by federal executive authorities to help implement the regulatory guillotine mechanism.

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 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 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 interest, and if such a conflict arises, they should promptly inform the Corporate Secretary in writing about such conflict.

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.

THE COMPANY AND THE FEDERAL TAX SERVICE OF RUSSIA SIGNED RUSSIA'S FIRST ADVANCE PRICING AGREEMENT INVOLVING A FOREIGN TAX AUTHORITY – THE FINNISH TAX ADMINISTRATION. THE AGREEMENT PROVIDES THAT INTERMEDIATE PRODUCTS THAT NORNICKEL EXPORTS TO FINLAND FOR PROCESSING AT ITS OWN HARJAVALTA PLANT ARE PRICED IN LINE WITH INTERNATIONAL PRINCIPLES USING TRANSFER PRICING METHODS. THE AGREEMENT DETAILS KEY TAX METRICS THAT WILL BE APPLIED BOTH BY THE RUSSIAN AND FOREIGN COMPANIES OF THE GROUP.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest governance body of MMC Norilsk Nickel responsible for making decisions on matters most critical 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. Nor Nickel 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 on Nor Nickel's website at least 30 calendar days prior to the date of the general meeting.

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

Three General Meetings of Shareholders were held in 2021, and a high level of shareholders' attendance was maintained. The Annual General Meeting of Shareholders during the COVID-19 pandemic was held in absentia using an e-voting service. Each year, more and more shareholders take advantage of this service enabling them to vote regardless of their location. E-voting is available both on the gosuslugi.ru website accessible to general public and via the [Shareholder's Personal Account](#), a dedicated online resource for Nor Nickel's shareholders. The service is highly reliable and easy to use.



General Meetings of Shareholders held in 2021

19 MAY 2021 — an Annual General Meeting of Shareholders (held in absentia)

- The Meeting approved the Annual Report, annual accounting statements and consolidated financial statements for 2020.
- Profit for the period was distributed, and the resolution on FY 2020 dividend payout was passed.
- A new Board of Directors and Audit Commission were elected; resolutions on remuneration of members of the Board of Directors and the Audit Commission were passed.
- The auditor was approved to audit Nor Nickel's Russian accounting (financial) statements for 2021, consolidated financial statements for 2021 and interim consolidated financial statements for 1H 2021.
- An interested party transaction (liability insurance of members of the Board of Directors and the Management Board) and related interested party transactions (indemnification of members of the Board of Directors and the Management Board) were approved.

19 AUGUST 2021 — an Extraordinary General Meeting of Shareholders (held in absentia)

- The Meeting resolved to reduce the Company's authorised capital by cancelling the shares repurchased by the Company, and amend the Company's Articles of Association.

27 DECEMBER 2021 — an Extraordinary General Meeting of Shareholders (held in absentia)

- A resolution to pay the 9M 2021 dividend was passed.

Statistics on General Meetings of Shareholders



- Legal entities' attendance at CMs
- Individuals' attendance at CMs
- The share of shareholders who used e-voting services, %
- Quorum at General Meetings of Shareholders, %

ACM – Annual General Meeting of Shareholders, ECM – Extraordinary General Meeting of Shareholders.

BOARD OF DIRECTORS

Composition of the Board of Directors

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

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

According to Nornickel's Articles of Association, the Board of Directors has 13 members. The current size of the Board of Directors is best aligned with Nornickel's goals and objectives, and its appropriate independence mix ensures that decision making considers the interests of all stakeholders and enhances the quality of

managerial decisions. The current Board of Directors comprises six independent directors, which enables highly professional, independent judgements on matters on the agenda.

Following the Annual General Meeting of Shareholders held on 19 May 2021, Nikolay Abramov stepped down from the Board of Directors, and Stanislav Luchitsky was elected to the Board.

As at 31 December 2021, the Board of Directors had 13 members, including¹:

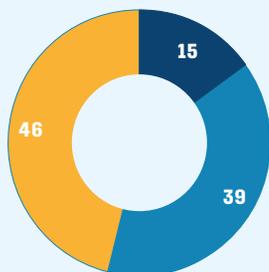
- six independent directors¹: Gareth Peter Penny, ■ ■ ■ ■ ■ ■, Sergey Volk, Roger Munnings, Evgeny Shvarts, and Robert Edwards
- six non-executive directors: Sergey Barbashev, Sergey Batekhin, Alexey Bashkirov, Stanislav Luchitsky, Maxim Poletaev, and Vyacheslav Solomin
- one executive director: Marianna Zakharova.

Status of Board members, %



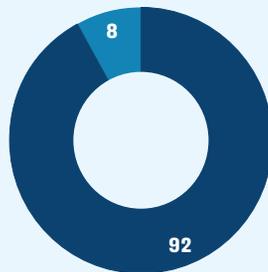
- Independent directors
- Non-executive directors
- Executive directors

Tenure on the Board of Directors (%)



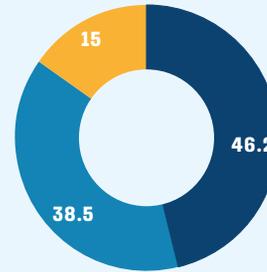
- Under 3 years
- 3-8 years
- Over 8 years

Board composition by gender (%)



- Male
- Female

Board composition by age group (%)



- 40-50
- 51-61
- Over 61

1 In March 2022, independent non-executive directors Gareth Penny, Roger Munnings and Robert Edwards stepped down from the Board of Directors.

CHAIRMAN OF THE BOARD OF DIRECTORS

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

Since March 2013, the Board of Directors has been chaired by Gareth Peter Penny, who in line with global best practice is an independent director. In June 2021, the Sustainable Development and Climate Change Committee was established under his leadership to review a wide range of matters relating to the Company's sustainable development, including the climate agenda. Gareth Penny promotes open discussion at meetings and encourages active involvement of all Board members. Gareth Penny's external non-executive directorships enable Nornickel's Board of Directors to better keep abreast of global best practice in corporate governance.

INDEPENDENT DIRECTORS

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

Thus, during 2021, 6 out of the 13 Directors, or 46.2%, were independent.

BOARD OF DIRECTORS' PERFORMANCE

In 2021, Nornickel's Board of Directors held 43 meetings, including 10 meetings in person, and reviewed 102 matters.

At its meetings, the Board focused on environmental matters, analysis of Nornickel's environmental protection strategy, including the Sulphur Project, assessment of the infrastructure, and the impact of climate factors, such as permafrost, on the Company's operations. Particular attention was paid to stakeholder engagement on ESG matters and review of the Company's internal control and risk management, which are critical for the Company's sustainability.

Number of Board meetings



- In person
- In absentia
- Number of matters reviewed

Matters reviewed (%)



- Corporate governance
- Transaction approval
- Internal documents approval
- Strategy, operations and finance
- Other

The Board's experience and skill mix

Name	Tenure on the Board of Directors	Key skills					
		Strategy	Law and corporate governance	Finance and audit	Metals and mining/engineering	International economic relations	ESG
Gareth Peter Penny	since 2013	+			+	+	+
Sergey Barbashev	since 2011		+				
Sergey Batekhin	since 2020			+		+	
Alexey Bashkirov	since 2013	+	+	+		+	
	since 2013	+	+	+	+		
Sergey Volk	since 2019			+			
Marianna Zakharova	since 2010		+		+		
Roger Munnings	since 2018			+	+		+
Maxim Poletaev	since 2019	+		+			
Vyacheslav Solomin	since 2019			+		+	
Evgeny Shvarts	since 2019	+			+		+
Robert Edwards	since 2013			+	+		+
Stanislav Luchitsky	since 2021	+			+		+
As at 31 December 2021, the average tenure on the Board of Directors was 5.5 years		6	5	8	7	4	5
Nikolay Abramov	2020–2021	+					

Attendance at meetings in 2021¹

 In 2021, attendance at Board meetings was **100%**.

Name	Status	Meetings of the Board of Directors attended/held			Meetings of Board committees attended/held				
		Total	In person	Extramural	Strategy Committee	Budget Committee	Audit Committee	Corporate Governance, Nomination and Remuneration Committee	Sustainable Development and Climate Change Committee
Gareth Peter Penny	Independent Director / Chairman of the Board of Directors / Chairman of the Sustainable Development and Climate Change Committee	43/43	10/10	33/33	10/10	-	-	-	1/1
Sergey Barbashev	Non-executive Director	43/43	10/10	33/33	-	-	-	-	-
Alexey Bashkirov	Non-executive Director	43/43	10/10	33/33	8/10	-	5/9	-	-
■■■ ■■■	Independent Director	43/43	10/10	33/33	10/10	4/4	12/12	19/19	-
Sergey Batekhin	Non-executive Director / Chairman of the Budget Committee	43/43	10/10	33/33	2/10	4/4	-	19/19	-
Sergey Volk	Independent Director	43/43	10/10	33/33	-	3/4	-	19/19	-
Marianna Zakharova	Executive Director	43/43	10/10	33/33	-	-	-	-	-
Roger Munnings	Independent Director / Chairman of the Audit Committee	43/43	10/10	33/33	-	4/4	12/12	-	1/1
Maxim Poletaev	Non-executive Director / Chairman of the Strategy Committee	43/43	10/10	33/33	10/10	4/4	-	-	-
Vyacheslav Solomin	Non-executive Director	43/43	10/10	33/33	-	1/4	6/12	-	-
Evgeny Shvarts	Independent Director	43/43	10/10	33/33	-	-	-	19/19	1/1
Robert Edwards	Independent Director / Chairman of the Corporate Governance, Nomination and Remuneration Committee	43/43	10/10	33/33	-	-	12/12	19/19	1/1
Stanislav Luchitsky (from 19 May 2021)	Non-executive Director	19/43	7/10	12/33	8/10	-	-	-	1/1
Nikolay Abramov (until 19 May 2021)	Non-executive Director	14/43	3/10	11/33	2/10	-	-	-	-

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

PERFORMANCE

EVALUATION OF THE BOARD OF DIRECTORS

As recommended by the Corporate Governance Code, the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors initiated the development of the Performance Evaluation Policy for the Board of Directors, engaging independent consultants.

The Corporate Governance Code recommends that an external organisation (advisor) be engaged regularly, at least once in three years, to conduct an independent evaluation of the Board of Directors' performance. In line with corporate governance best practice and the Company's Performance Evaluation Policy for the Board of Directors, the performance evaluation of the Company's Board of Directors for 2021 was carried out by an external organisation, Limited Liability Company Independent Directors Association Academy (IDA Academy).

The methodology and approaches used in the external performance evaluation of the Board of Directors are driven by international best practice and the Company's needs. Detailed questionnaires were sent out to participants to evaluate the performance of the Board and its Committees, along with the Directors' individual contributions. The results were supplemented by comments and feedback from certain committee heads obtained via one-on-one interviews. Following these activities, IDA Academy prepared a preliminary evaluation report submitted to the members of the Corporate Governance, Nomination and Remuneration Committee and the Corporate Secretary.

The external evaluation confirmed that:

- In 2021 composition of the Board of Directors was well-balanced in terms of directors' qualifications, experience and business skills. The qualitative composition of the Board of Directors meets the Company's needs and shareholder interests

- The composition of the Board committees is aligned with the Company's goals and objectives; there is no need to set up additional Board committees
- The Chairman of the Board of Directors organises the Board of Directors' activities in the most efficient way, ensures its communication with other bodies of the Company and facilitates the best performance of assigned duties

However, given the new operating environment the Company has had to navigate in 2022, including the resignation of foreign independent directors and Board Chairman, the performance evaluation resulted in recommendations to keep the same number of independent directors by selecting and electing candidates with the background and skills matching the challenges of operating in a new environment. The Board of Directors intends to focus on: rethinking the strategy and adapting it to the new environment; consolidating the progress already made on sustainability and occupational safety; and returning to formal and informal Board and management meetings in person as COVID-19 restrictions were lifted.

The performance evaluation results helped identify the Board of Directors' focus areas for 2022. In line with international best practice, the Company will continue to run self-assessments of the Board of Directors on an annual basis and external independent evaluations once in three years to ensure the continuous development and improvement of PJSC MMC NORILSK NICKEL's corporate governance practices.

The Board of Directors' activities in 2021 took into account the recommendations issued by the Corporate Governance, Nomination and Remuneration Committee following the review of the Board of Directors' 2020 Performance Report.

At its meeting on 22 April 2022, the Board of Directors reviewed the Work Quality Assessment Report of the Board of Directors in 2021 and the recommendations of the Corporate Governance, Nomination and Remuneration Committee, and acknowledged that the Board of Directors and its committees,

as well as the Board Chairman and the Corporate Secretary discharged their duties effectively. During the year, the Board of Directors maintained its focus on major investments. The Strategy Committee reviewed the draft production and long-term investment programmes, progress reports on the Company's major investment projects, implementation status of the IT programme, implementation status of the development concept for the Company's design services, repair and construction services policies, implementation status on the exploration strategy, and progress report on the sales strategy.

Following the recommendations of the Corporate Governance, Nomination and Remuneration Committee to continue the practice of regularly updating Board members about the markets in which the Company operates, the Marketing Committee maintained good communications with the Board of Directors by regularly informing them about the Company's sales activities. The Marketing Committee and the Board's Strategy Committee regularly reviewed matters relating to market overviews, the implementation status of the sales strategy and sales of Nor Nickel metals.

Amid the pandemic restrictions, the improvement of the Supervisory Function indicator was driven by providing updates on business priorities and the Company's strategy to the Board of Directors and senior management for in-depth analysis as well as through meetings and conference calls.

To reflect stakeholders' opinions and interests in the decision-making process, the Corporate Governance, Nomination and Remuneration Committee continued interacting with the Company's management during 2021 through meetings and conference calls. During 2021, the Committee gave a number of recommendations to improve the Company's KPI system and recommended that the Board of Directors approve a series of internal documents establishing basic principles, obligations and rules for stakeholder engagement, including on ESG matters.

Biographical details of Board members as of 31 December 2021

For more details on biographies of the Board members, please see the Company's website, and for the biographies of the members who stepped down after the Annual General Meeting of Shareholders, please see the [2020 Annual Report](#).

In the reporting year, Board members made no transactions with MMC Norilsk Nickel shares, only Abramov N. held them (0.000667%).



Gareth Peter Penny

Chairman of the Board of Directors since 2013 (Independent Director)

Chairman of the Sustainable Development and Climate Change Committee, member of the Strategy Committee of the Board of Directors

Born in: 1962

Nationality: UK

Education

Diocesan College (Bishops) (Cape Town, South Africa); Eton College (UK);
Rhodes Scholar, Master in Philosophy, Politics and Economics, University of Oxford (UK).

Experience in the last five years

since 2019: non-executive chairman of the board of directors of Ninety One plc and Ninety One Ltd

since 2017: member of the board of directors of Amulet Diamond Corp.

2017–2020: non-executive chairman of the board of directors of Edcon Holdings Limited

2016–2018: non-executive chairman of the board of directors of Pangolin Diamonds Corp.

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

since 2021: non-executive board chairman at TB SA Acquisition Corp.



Sergey Batekhin

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

Chairman of the Budget Committee, member of the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors

Born in: 1965

Nationality: Russian Federation

Education

Degree in Military and Political Translation, Foreign Languages (German and French), assistant translator/interpreter, Red Banner Military Institute of the Ministry of Defence of the USSR, 1987

Degree in Finance and Credit, Economist, Plekhanov Russian Academy of Economics, 1998

Master of Business Administration, Moscow International Higher School of Business MIRBIS, 1998

Post-doctoral degree in Philosophy, International Information Technology Academy, 2002

Speaks French, German, English, and Italian

Experience in the last five years

since 2020: chairman of the supervisory board of the Digital Capital; member of the board of trustees of the Vladimir Potanin Foundation; CEO, chairman of the management board of Interros Holding Company

since 2019: member of the board of directors of Jokerit Hockey Club Oy; chairman of the presidium of the Night Hockey League non-profit amateur hockey foundation

since 2018: member of the board of directors of LLC Kontinental Hockey League

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



Sergey Barbashev

Member of the Board of Directors since 2011 (Non-executive Director)

Born in: 1962

Nationality: Russian Federation

Education

Degree in Law, Moscow Higher School of Militia of the Ministry of Internal Affairs of the USSR, 1988

Experience in the last five years

2018–2021: member of the Management Board, First Vice President – Head of Corporate Security at MMC Norilsk Nickel

since 2016: member of the board of the Endowment Fund for Education and Culture

2016–2018: director at Olderfrey Holdings Ltd

2015–2018: branch director at Olderfrey Holdings Ltd

2011–2019: chairman of the board of directors of Rosa Khutor Ski Resort Development Company

since 2008: member of the board of the Vladimir Potanin Foundation

2008–2018: CEO, chairman of the management board of Interros Holding Company

since 2021: deputy security director at Interros Holding Company



Alexey Bashkirov

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

Member of the Audit Committee, member of the Strategy Committee of the Board of Directors

Born in: 1977

Nationality: Russian Federation

Education

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

Experience in the last five years

since 2016: managing director at Winter Capital Advisors

2018–2020: CEO, chairman of the management board of LLC Interros Holding Company (before 2015: CJSC Interros Holding Company)



Sergey Volk

Member of the Board of Directors since 2019 (Independent Director)

Member of the Corporate Governance, Nomination and Remuneration Committee and Budget Committee of the Board of Directors

Born in: 1969

Nationality: Ukraine

Education

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

Experience in the last five years

since 2019: member of the board of directors of Fortenova grupa d.d. (Zagreb, Croatia)

since 2018: member of the supervisory board of Mercator d.d. (Ljubljana, Slovenia)



Marianna Zakharova

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

Born in: 1976

Nationality: Russian Federation

Education

Peoples' Friendship University of Russia (RUDN):

1998 – Bachelor in Law

2000 – Master in Law

Experience in the last five years

since 2020: member of the board of trustees of the Vladimir Potanin Foundation

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



Stanislav Luchitsky

Member of the Board of Directors since 2021 (Non-executive Director)

Member of the of the Strategy Committee, member of the Sustainable Development and Climate Change Committee of the Board of Directors

Born in: 1976

Nationality: Russian Federation

Education

Degree in Non-ferrous Metallurgy, metallurgical engineer, Norilsk Industrial Institute, 1999

Experience in the last five years

since 2021: deputy CEO – head of geology, technology and engineering, member of the management board of STANMIX HOLDING LIMITED; deputy CEO – head of geology, technology and engineering, member of the management board of Russdragmet

2020–2021: deputy CEO – project director at Ozernaya Mining Company

2018–2019: CEO of Arctic Palladium

2014–2018: Head of the Chita PMO at MMC Norilsk Nickel



Roger Llewelyn Munnings

Member of the Board of Directors since 2018 (Independent Director)

Chairman of the Audit Committee, member of the Budget Committee, member of the Sustainable Development and Climate Change Committee of the Board of Directors

Born in: 1950

Nationality: UK

Education

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

Fellow of the Institute of Chartered Accountants in England and Wales

Experience in the last five years

since 2020: member of the board of directors of the Royal Welsh College of Music & Drama

since 2017: director of 3 Lansdown Crescent Limited; member of the Council of National Representatives (UK) at the Association of European Businesses in Russia

since 2015: member of the board of directors of LUKOIL

since 2013: member of the board of trustees of International Business Leaders Forum; trustee at Kino Klassika Foundation; member of the National Council on Corporate Governance non-profit partnership

since 2010: member of the board of directors of Sistema

since 2003: member of the board of directors, chairman of the board of directors of the Russo-British Chamber of Commerce



Maxim Poletaev

Member of the Board of Directors since 2019 (Non-executive Director)

Chairman of the Strategy Committee, member of the Budget Committee of the Board of Directors

Born in: 1971

Nationality: Russian Federation

Education

Degree in Accounting and Business Analysis and Monitoring, Economist, P.G. Demidov Yaroslavl State University, 1993

Experience in the last five years

since 2020: deputy CEO of RUSAL Management

2019–2020: member of the board of directors of United Company RUSAL Plc

since 2019: chairman of the board of directors of Fortenova grupa d.d. (Zagreb, Croatia)



Vyacheslav Solomin

Member of the Board of Directors since 2019 (Non-executive Director)

Member of the Audit Committee of the Board of Directors

Born in: 1975

Nationality: Russian Federation

Education

Degree in International Economics, Economist with English, Far Eastern Federal University
Bachelor of Science, University of Maryland University College

Experience in the last five years

since 2020: executive director, deputy CEO – COO at EN+ Holding ILLC (formerly EN+ Holding Ltd) (director in 2015–2020)

since 2018: director, member of board of directors of UC RUSAL, IPJSC (until 25 September 2020 – UC RUSAL Plc)

2018–2020: executive director at En+ Management

2014–2018: CEO of EuroSibEnergo

since 2011: director at YES Energo Limited



Evgeny Shvarts

Member of the Board of Directors since 2019 (Independent Director)

Member of the Corporate Governance, Nomination and Remuneration Committee, member of the Sustainable Development and Climate Change Committee of the Board of Directors

Born in: 1958

Nationality: Russian Federation

Education

Degree in Zoology and Botany, Lomonosov Moscow State University, 1982

Candidate of Geographical Sciences (Biogeography and Soil Geography), Institute of Geography, Academy of Sciences of the Soviet Union, 1987

Doctor of Geographical Sciences (Geocology), Institute of Geography, Russian Academy of Sciences, 2003

Experience in the last five years

since 2021: professor at the National Research University – Higher School of Economics; head of the Centre for Responsible Environmental Management at the Institute of Geography, Russian Academy of Sciences

since 2020: leading researcher at the Department of Physical Geography and Environmental Management Problems of the Institute of Geography, Russian Academy of Sciences; member of board of directors of UC RUSAL, IPJSC (until 25 September 2020 – UC RUSAL Plc)

2007–2019: director for the conservation policy at WWF



Robert Edwards

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

Born in: 1966

Nationality: UK

Education

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

Experience in the last five years

since 2018: member of the Board of Directors of Scriptfert New Zealand Ltd; member of the Board of Directors of Chaarat Gold Holdings Limited

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

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

since 2013: head of Highcross Resources Ltd

BOARD COMMITTEES

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

From the beginning of the reporting year until the re-election of the Board of Directors on 1 June, the Board of Directors had four committees:

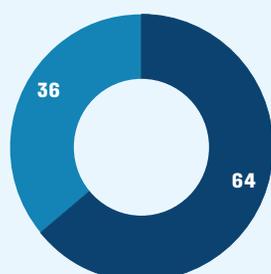
- Strategy Committee
- Budget Committee
- Corporate Governance, Nomination and Remuneration Committee
- Audit and Sustainable Development Committee.

Following the Annual General Meeting of Shareholders and the election of the new Board of Directors, five committees were set up, each consisting of five members:

- Strategy Committee
- Budget Committee
- Corporate Governance, Nomination and Remuneration Committee
- Audit Committee
- Sustainable Development and Climate Change Committee

Members of all committees are appointed by the Board of Directors.

Average proportion of independent directors on the Board committees (%)



● Independent directors
● Non-executive directors

STRATEGY

COMMITTEE

Committee members before the Annual General Meeting of Shareholders (19 May 2021)

Maxim Poletaev (Chairman)
Sergey Batekhin
■ ■ ■ ■ ■ (Independent Director)
Nikolay Abramov
Gareth Peter Penny (Independent Director)

Committee members after the Annual General Meeting of Shareholders (on 19 May to 31 December 2021)

Maxim Poletaev (Chairman)
Alexey Bashkirov
■ ■ ■ ■ ■ (Independent Director)
Stanislav Luchitsky
Gareth Peter Penny (Independent Director)

The Strategy Committee is made up of five directors, two of whom are independent directors (i.e. 40% of the Committee members are independent directors). In 2021, the Committee held seven meetings in person (two of them were held jointly with the Audit Committee of the Board of Directors on 9 March 2021 and 22 April 2021) and three meetings in absentia.

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

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

The Strategy Committee's key areas of focus:

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

During 2021, the Strategy Committee made recommendations to the Board of Directors

and reviewed the progress and status updates on Nornickel's major investment projects, including Bystrinsky GOK and the Sulphur Project) and prepared reports on the Company's operational performance, the Report on the Property and Business Interruption (Downtime) Insurance Corporate Programme, Progress Report on the IT Programme, including progress on the ERP and Technology Breakthrough programmes and a consolidated progress report on the Company's investment programme, as well as investment plans. The Committee also considered the progress updates on the Company's Fuel and Energy Complex Development Strategy, Sales Strategy projects for precursor and battery production, the joint venture with Russian Platinum, as well as the Company's Exploration Strategy. To inform the Board of Directors on developments in metals markets and on sales-related risks, the Committee reviewed the impact of the COVID-19 pandemic on metals markets and Nornickel's sales.

BUDGET COMMITTEE

Committee members before the Annual General Meeting of Shareholders (19 May 2021)	Committee members after the Annual General Meeting of Shareholders (on 19 May to 31 December 2021)
Sergey Batekhin (Chairman)	Sergey Batekhin (Chairman)
■ ■ ■ ■ ■ (Independent Director)	■ ■ ■ ■ ■ (Independent Director)
Maxim Poletaev	Maxim Poletaev
Roger Munnings (Independent Director)	Roger Munnings (Independent Director)
Vyacheslav Solomin	Sergey Volk (Independent Director)

Nornickel's Budget Committee is made up of five directors, three of whom are independent directors (i.e. 60% of the Committee members are independent directors).

In 2021, the Budget Committee focused on making recommendations to the Board of Directors to inform decision making on the

amount of dividends and on the record date to be suggested by the Board of Directors, and reviewed the Company's financial performance. The Budget Committee also approved and recommended that the Board of Directors approve Nornickel's 2022 budget.

In 2021, the Committee held four meetings.

CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Committee members before the Annual General Meeting of Shareholders (19 May 2021)	Committee members after the Annual General Meeting of Shareholders (on 19 May to 31 December 2021)
Robert Edwards (Chairman, Independent Director)	Robert Edwards (Chairman, Independent Director)
Sergey Batekhin	Sergey Batekhin
Sergey Volk (Independent Director)	Sergey Volk (Independent Director)
■ ■ ■ ■ ■ (Independent Director)	■ ■ ■ ■ ■ (Independent Director)
Evgeny Shvarts (Independent Director)	Evgeny Shvarts (Independent Director)

The Committee is made up of five directors, four of whom are independent directors, including its Chairman (i.e. 80% of the Committee members are independent directors).

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

- evaluating, overseeing and improving Nornickel's corporate governance framework
- ensuring succession planning for Nornickel's Board of Directors and Management Board
- providing incentives, evaluating the performance of Nornickel's Board of

Directors, Management Board, President, and Corporate Secretary, and setting relevant remuneration policies

- supervising the development and implementation of Nornickel's information policy.

In 2021, the Committee held 19 meetings, including 14 in absentia and 5 in person.

The Committee made recommendations to the Board of Directors to inform decision making on convening, preparing and holding the Annual and Extraordinary General Meetings of Shareholders, and on matters reserved to the General Meeting of Shareholders (remuneration and reimbursement of expenses of members of the Board of Directors and the Audit Commission, and liability insurance and indemnity for members of the Board of Directors and the Management Board).

The Corporate Governance, Nomination and Remuneration Committee advised the Board of Directors on evaluation of the Board of Directors' performance in 2020. The Committee reviewed the updates on the Human Capital Development Programme, Corporate Social Subsidised Loan Programme and Nornickel's Charitable Policy, and considered the approval of a number of the Company's internal documents. The Committee also considered the annual evaluation of the Board of Directors' performance in 2020, which concluded that the Board of Directors and the Corporate Secretary of Nornickel were effective, and assessed the independence of nominees to the Company's Board of Directors. The Committee gave a recommendation to the Board of Directors to extend the powers of the current Corporate Secretary Pavel Platov for the next three years. Several meetings of the Corporate Governance, Nomination and Remuneration Committee were dedicated to reviewing matters relating to remuneration of Nornickel's key employees.

AUDIT COMMITTEE

Committee members before the Annual General Meeting of Shareholders (19 May 2021)	Committee members after the Annual General Meeting of Shareholders (on 19 May to 31 December 2021)
Roger Munnings (Chairman, Independent Director)	Roger Munnings (Chairman, Independent Director)
Vyacheslav Solomin ■ ■ ■ ■ ■ (Independent Director)	Vyacheslav Solomin ■ ■ ■ ■ ■ (Independent Director)
Sergey Batekhin	Alexey Bashkirov
Robert Edwards (Independent Director)	Robert Edwards (Independent Director)

On 1 June 2021, at the first in-person meeting of the new Board of Directors elected at the Annual General Meeting of Shareholders on 19 May 2021, the Committee was refreshed and its name was changed (until 1 June 2021: Audit and Sustainability Committee).

The Audit Committee is made up of five directors, three of whom are independent directors, including its Chairman (i.e. 60% of the Committee members are independent directors). On average, Committee members have more than 10 years of experience in finance.

In 2021, the Committee held 12 meetings, including 8 in person and 4 in absentia, with 2 of the in-person meetings held jointly with

the Strategy Committee (on 9 March 2021 and 22 April 2021).

The Committee discharges its responsibilities by overseeing:

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

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

During 2021, the Audit Committee prepared for the Board of Directors a number of recommendations on the accuracy, completeness and reliability of Nornickel's financial statements, as well as on HSE matters, and approval of the Company's auditors. The Committee also reviewed the results of audit reports by the Internal Audit Department and Internal Control Department and considered them when reviewing the 2020 Sustainability Report, information on the incident at Norilsk Concentrator (action plan to minimise the impact of mine flooding and implement recovery measures), Report on Improvements to Procurement, and Corporate Risk Appetite Statement for 2021.

In 2021, the Audit Committee of the Board of Directors:

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

SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE COMMITTEE

Composition of the Committee (on 1 June to 31 December 2021)

Gareth Peter Penny (Chairman, Independent Director)
Roger Munnings (Independent Director)
Robert Edwards (Independent Director)
Stanislav Luchitsky
Evgeny Shvarts (Independent Director)

Members of the Sustainable Development and Climate Change Committee are appointed by Nornickel's Board of Directors. In accordance with its Terms of Reference, the Committee has five members. The Board of Directors, however, may expand the Committee's membership. The Committee is made up of five directors, four of whom are independent directors, including its Chairman (i.e. 80% of the Committee members are independent directors).

The Sustainable Development and Climate Change Committee's key functions:

- Integrating sustainability principles, including climate change, into the Company's activities

- Developing and implementing the Sustainable Development and Climate Change Strategy
- Managing risks and internal controls related to sustainable development and climate change
- Preparing the Company's internal reports and disclosures on sustainable development and climate change
- Overseeing the external audit of the Company's reports and activities related to sustainable development and climate change

In the reporting year, the Committee members discussed a report by Nornickel's management on the Company's sustainable development activities,

including environmental protection and climate change monitoring, international certification of the Company's activities and its compliance with international standards on business conduct, social and corporate governance matters. Particular attention was paid to environmental remediation after the diesel fuel spill, carbon-neutral nickel production, integration ICMM and IRMA requirements as part of implementing of the Company's activities. At the meeting, the Committee members also discussed matters related to supporting indigenous peoples of the Far North and studying the impacts of climate warming on permafrost.

Following the discussion, the Committee deemed it expedient to post information about Nornickel's sustainable development / ESG activities and future plans on the Company's website on a regular basis. Members of the Board of Directors and Company management recognised environmental and industrial safety matters as special focus areas, and noted the need to achieve sustainable results in transforming Nornickel's industrial safety culture.

PRESIDENT AND MANAGEMENT BOARD

The President and the Management Board are Nor Nickel's executive bodies in charge of day-to-day operations. They ensure:

- compliance with resolutions of the Board of Directors and the General Meeting of Shareholders
- implementation of Nor Nickel's key plans and programmes
- continuous operation of an effective risk management and internal control framework.

President

The President is Nor Nickel's sole executive body in charge of day-to-day operations. The President is elected by the General Meeting of Shareholders for an indefinite term and acts as Chairman of the Management Board.

The President reports to the Board of Directors and the General Meeting of Shareholders. Since 2015, this position has been held by Vladimir Potanin (Nor Nickel's CEO in 2012–2015).

Management Board

The Management Board is a collective executive body in charge of Nor Nickel's day-to-day operations within its scope of authority as set out in the Articles of Association; it ensures the implementation of resolutions passed by the General Meeting of Shareholders and the Board of Directors.

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

The Management Board had 10 members at the start of 2021, according to the composition approved by the Board of Directors on 13 August 2020. During the reporting year, the composition of the Company's Management Board changed three times:

- On 2 March 2021, the Board of Directors resolved to terminate the office and employment contract of Sergey Dyachenko due to his transfer to another job, and to establish a nine-member Management Board as from 3 March 2021
- On 16 June 2021, the Board of Directors resolved to elect Sergey Stepanov and Evgeny Fedorov to the Management Board effective 17 June 2021, and to establish an 11-member Management Board
- On 28 October 2021, the Board of Directors resolved to terminate the office and employment contract of Sergey Barbashev, effective 29 October 2021, due to his transfer to another job, and to establish a 10-member Management Board effective 30 October 2021

In 2021, the Management Board held 23 meetings, including 22 in absentia and 1 in the form of joint attendance.

Throughout 2021, the Management Board decided to set up an Energy Division and an Investment Sub-Committee for Corporate Services, approved a proposal to amend the Company's Articles of Association, passed resolutions regarding branch directors,

reviewed the Company's capital-raising and guarantee transactions, took note of the Company's Risk Appetite Statement for 2021, approved the Environmental and Climate Change Strategy and the 2021 action plan to implement it, the scope of self-evaluation of the internal control system, and the metrics of the Long-Term Remuneration Programme for Key Employees for 2021–2023.

Attendance at meetings in 2021

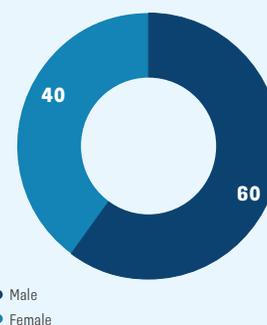
Name	Tenure on the Management Board	Meetings attended / total number of meetings
Vladimir Potanin	9	23/23
Sergey Barbashev ² (until 29 October 2021)	3	19/23
Andrei Bougrov	9	23/23
Sergey Stepanov ³ (from 17 June 2021)	1	14/23
Evgeny Fyodorov ³ (from 17 June 2021)	1	14/23
Sergey Dubovitsky	3	23/23
Sergey Dyachenko ¹ (until 2 March 2021)	8	3/23
Marianna Zakharova	6	23/23
Larisa Zelkova	9	23/23
Elena Savitskaya	8	23/23
Sergey Malyshev	8	23/23
Nina Plastinina	8	23/23

Number of Management Board meetings



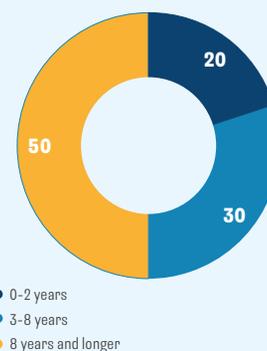
- In person
- In absentia
- Number of matters reviewed

Management Board composition by gender (%)



- Male
- Female

Tenure on the Management Board (%)



- 0-2 years
- 3-8 years
- 8 years and longer

1 Left the Management Board on 2 March 2021 as per the Board of Directors' resolution.
 2 Left the Management Board on 29 October 2021 as per the Board of Directors' resolution.
 3 Joined the Management Board on 17 June 2021 as per the Board of Directors' resolution.

Biographical details of members of the Management Board¹

¹ Positions are indicated as at the end of 2020.



Vladimir Potanin

Chairman of the Management Board since 2012

President of the Company since 2015 (CEO in 2012–2015)

Born in: 1961

Nationality: Russian Federation

For more detailed biographies of members of the Management Board, please see the [website](#). Biographical details of previous members of the Management Board are available in the [2020 Annual Report](#).

In the reporting year, Sergey Stepanov held shares in MMC Norilsk Nickel, representing 0.001599% of the authorized capital.

Education

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

Experience in the last five years

since 2021: member of the Board of Trustees of the Football Union of Russia

since 2020: Chairman of the Board of Trustees of the Vladimir Potanin Foundation; member of the Board of Trustees of the ROZA Club for Sport Development and Support

since 2018: member of the Board of Trustees of the Russian–American Council for Business Cooperation trade association; member of the Board of Trustees of the Fund for the Conservation and Development of the Solovetsky Archipelago

since 2017: Chairman of the Supervisory Board of the Norilsk Development Agency

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

since 2013: President of Interros Holding Company

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

since 2012: positions at Nornickel: CEO (2012–2015), President (2015–present), Chairman of the Management Board (2012–present)

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

since 2010: member of the Board of Trustees of the Russian Geographical Society all-Russian non-governmental organisation

since 2009: Deputy Chairman of the Board of Trustees of the Russian International Olympic University

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

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

since 2006: Deputy Chairman of the Board of Trustees of MGIMO Endowment Fund, member of the Board of Trustees and member of the Management Board of the Graduate School of Management at Saint Petersburg State University, member of the Bureau of the Board of the Russian Union of industrialists and Entrepreneurs (RSPP)

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

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

since 2003: Chairman of the Board of Trustees of the State Hermitage Museum

since 2001: member of the Board of Trustees of the Solomon R. Cuggenheim Foundation (New York)

since 2000: member of the Bureau of the Board and member of the Management Board of the RSPP

since 1995: member of the Presidium of the international Foundation for the Unity of Orthodox Christian Nations



Andrei Bougrov

Member of the Management Board since 2013

Senior Vice President for Sustainable Development since 2020

Born in: 1952

Nationality: Russian Federation

Education

Degree in International Economic Relations, economist for foreign trade. PhD in Economics, Moscow State Institute of International Relations (MGIMO)

Experience in the last five years

since 2021: member of the RSPP Coordination Council on Sustainable Development, member of the International Advisory Panel of the Asian Infrastructure Investment Bank (AIIB)

since 2020: member of the RSPP Climate Policy and Carbon Regulation Committee

since 2018: member of the Advisory Council of the Russo-British Chamber of Commerce (RBCC) and Chairman of the RSPP Council on Non-Financial Reporting

since 2016: Chairman of the Share Issuers Committee of Moscow Exchange

since 2015: member of the National Council on Corporate Governance non-profit partnership

since 2013: Vice President of the RSPP and LLC Interros Holding Company (until 7 April 2015 – CJSC Interros Holding Company)

since 2006: member of the Management Board of the RSPP

since 2002: member of the Council on Foreign and Defence Policy non-governmental association

since 2002: positions at Nor Nickel – member of the Board of Directors, Chairman of the Board of Directors (2010–2022), Deputy Chairman of the Board of Directors (2013–2020), Senior Vice President (since 2016)



Sergey Dubovitsky

Member of the Management Board since 2018

Senior Vice President – Head of Strategy and Strategic Projects, Logistics and Procurement since 2020

Born in: 1978

Nationality: Russian Federation

Education

Public Relations Specialist with Foreign Language Skills, Moscow State Institute of International Relations (MGIMO)

Experience in the last five years

since 2021: member of the boards of directors of MPI Nickel Pty Ltd, Norilsk Nickel Africa Pty Ltd and Norilsk Nickel Mauritius, member of the Executive Committee of Nkomati

2019–2020: Vice President – Head of Strategy and Strategic Projects at MMC Norilsk Nickel

2016–2019: Vice President for Strategic Planning at MMC Norilsk Nickel



Marianna Zakharova

Member of the Management Board since 2016

Member of the Board of Directors since 2010

First Vice President – Head of Corporate Governance, Asset Management and Legal Affairs since 2015

Born in: 1976

Nationality: Russian Federation

Education

Peoples' Friendship University of Russia (RUDN University)

1998 – Bachelor in Law

2000 – Master in Law

Experience in the last five years

since 2020: member of the Board of Trustees of the Vladimir Potanin Foundation



Larisa Zelkova

Member of the Management Board since 2013

Senior Vice President – Head of HR, Social Policy and Public Relations

Born in: 1969

Nationality: Russian Federation

Education

Journalist, Literature Editor at a Newspaper, Lomonosov Moscow State University, 1991

Experience in the last five years

since 2020: Chairwoman of the management boards of the Second School centre for community initiatives in the Pechenegsky District and the Monchegorsk Development Agency

since 2019: member of the councils of the endowment funds for the replenishment of the Tretyakov Gallery's collection and development of its small museums at the State Tretyakov Gallery Foundation

since 2017: Chairwoman of the Management Board and member of the Supervisory Board of the Norilsk Development Agency autonomous non-profit organisation

2016–2021: Chairwoman of the Board of Trustees of the Endowment Fund for Education and Culture

since 2015: member of the Board of Trustees of the Russian Academy of Education, member of the Board of Trustees of the Hermitage Foundation UK

since 2014: Chairwoman of the Board of the Vladimir Potanin Foundation

2014–2018: President of the Vladimir Potanin Foundation

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

2011–2020: member of the Board of Directors of Rosa Khutor Ski Resort Development Company

since 2011: Chairwoman of the Management Board of the State Hermitage Museum Endowment Fund

since 2009: member of the Board of Trustees of the Pavlovsk Gymnasium private autonomous non-profit organisation

since 2007: member of the Presidium of MGIMO Endowment Fund



Sergey Malyshev

Member of the Management Board since 2013

Senior Vice President – Chief Financial Officer

Born in: 1969

Nationality: Russian Federation

Education

Mechanical Engineer, degree in Machines and Devices for the Textile and Light Industries, the Kosygin State University of Russia

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

Finance Academy under the Government of the Russian Federation, Public and Municipal Administration retraining programme, with the State Attestation Commission certifying the right (compliance with qualification requirements) to carry out professional activities related to public and municipal administration

Experience in the last five years

since 2016: Senior Vice President – Chief Financial Officer at MMC Norilsk Nickel



Nina Plastinina

Member of the Management Board since 2013

Vice President – Head of Internal Control and Risk Management

Born in: 1961

Nationality: Russian Federation

Education

Mechanical Engineer, degree in Chemical Machine and Fixture Building, Moscow Chemical Machine Building Institute

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

Experience in the last five years

since 2013: at Nornickel – Member of the Management Board, Director of the Internal Control Department (2013–2015), Vice President – Head of Internal Audit (2015–2016), Vice President – Head of Internal Control and Risk Management (2016–present)



Elena Savitskaya

Member of the Management Board since 2014

Vice President – Chief of Staff since 2015

Born in: 1972

Nationality: Russian Federation

Education

Psychologist, Psychology Teacher, degree in Psychology, Moscow Pedagogical State University

Experience in the last five years

since 2015: Advisor (part-time) to the President of Interros Holding Company



Sergey Stepanov

Member of the Management Board since 2021

Senior Vice President – Operational Director since 2021

Born in: 1977

Nationality: Russian Federation

Shareholding: 0.001599%

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

Education

Lomonosov Moscow State University: 1998: Bachelor in Economics (with distinction)

2000: Master in Economics (with distinction)

Experience in the last five years

2020–2021: CEO of VSMPO-AVISMA Corporation

2014–2020: CEO of Raspadskaya

2012–2020: Vice President, Head of Evraz's Coal Division



Evgeny Fyodorov

Member of the Management Board since 2021

Vice President for Energy since 2021

Born in: 1978

Nationality: Russian Federation

Education

Economist/Manager, degree in Economics and Enterprise Management, Bauman Moscow State Technical University, 2001

PhD in Economics, Moscow Power Engineering Institute (Technical University), 2003

Experience in the last five years

2018–2020: member of the Board of Directors, Advisor to the CEO of TRUST SM

since 2018: member of the Board of Directors of Unitile Holding

since 2017: member of the Board of Directors, Advisor to the CEO of Rosvodokanal Management Company

CORPORATE SECRETARY

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

The Corporate Secretary's key functions:

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

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

At present, Pavel Platov is Nornickel's Corporate Secretary. In December 2021, the Board of Directors extended Pavel Platov's term as Corporate Secretary by another three years.



Pavel Platov

Corporate Secretary since 2011

Born in: 1975

Nationality: Russian Federation

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

Education

Linguistics University of Nizhny Novgorod

Academy of National Economy under the Government of the Russian Federation

Experience in the last five years

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

REMUNERATION

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

- developing the Remuneration Policy for Members of the Board of Directors, Members of the Management Board, and the President of Nornickel

- overseeing the implementation and execution of the Policy
- reviewing the Policy on a regular basis.

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

Remuneration paid to members of Nornickel's governance bodies in 2021 totalled RUB 5.9 billion (USD 80 million)¹.

Directors' remuneration

The Board of Directors' annual remuneration is set out in the [Remuneration Policy](#). By resolution of the General Meeting of Shareholders, members of the Board of Directors are remunerated for their service on the Board of Directors and reimbursed for expenses incurred by them in performing their duties as Board members. Additional benefits for all Board members include liability insurance and reimbursement of losses incurred

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

Directors' remuneration in 2021

Type	2021	
	RUB mln	USD mln
Remuneration for serving on the Board of Directors and Board committees	301	4
Reimbursement	0.1	0.0007
Other	0	0
Total	301	4

¹ The amount of remuneration paid does not include the remuneration accrued but not yet paid as of 31 December 2021, as well as insurance premiums and voluntary health insurance (VHI) contributions. Adding the amounts above, remuneration of members of Nornickel's governance bodies for 2021 as per the 2021 consolidated IFRS financial statements totalled RUB 6.7 billion (USD 91 million).

REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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

REMUNERATION OF NON-EXECUTIVE DIRECTORS

All non-executive directors receive equal remuneration. The Policy sets forth the following annual remuneration for non-executive directors:

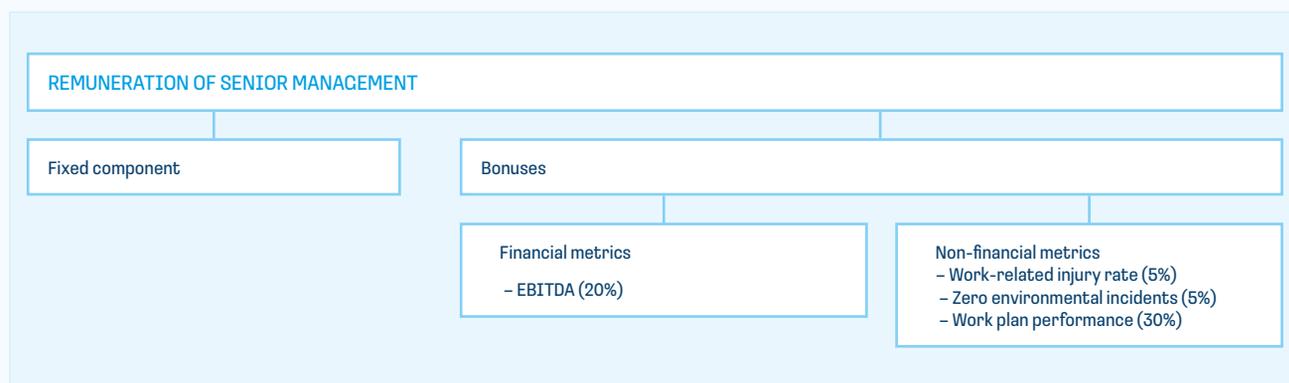
- Base remuneration of USD 120 thousand for Board membership
- Additional remuneration of USD 50 thousand for serving on a Board committee
- Additional remuneration of USD 150 thousand for chairing a Board committee

Non-executive directors are not eligible for any forms of short-term or long-term cash incentives, or non-cash remuneration, including shares (or share-based payments), share options (option agreements), or other non-cash rewards or benefits.

REMUNERATION OF EXECUTIVE DIRECTORS

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

Management Board's remuneration



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

Remuneration payable to senior management is comprised of basic salary and bonuses. Bonuses are linked to Nornickel's performance, including both financial (EBITDA) and non-financial metrics (work-related injury rate, zero environmental incidents, and work plan). The variable component of the remuneration payable to members of the Management Board reflects key performance indicators, which

are annually updated by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors. The Board of Directors decides whether to pay the President a performance bonus for the reporting year. In 2021, the Zero Environmental Incidents metric was included in senior management's KPIs with a 5% weight (within all KPIs) and the target of Zero Emergency Incidents.

Management Board's remuneration in 2021

Type	2021	
	RUB mln	USD mln
Remuneration for serving on a governance body	2	0.03
Salary	3,283	45
Bonuses	2,319	31
Other	0	0
Total	5,604	76