

# 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:

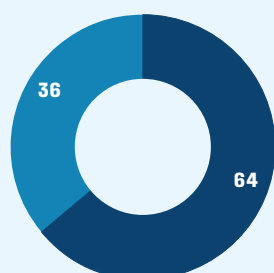
- Strategy Committee
- Budget Committee
- Corporate Governance, Nomination and Remuneration Committee
- Audit and Sustainable Development Committee.

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
Sergey Bratukhin (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
Sergey Bratukhin (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)
Sergey Bratukhin (Independent Director)	Sergey Bratukhin (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)
Sergey Bratukhin (Independent Director)	Sergey Bratukhin (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

<b>Committee members before the Annual General Meeting of Shareholders (19 May 2021)</b>	<b>Committee members after the Annual General Meeting of Shareholders (on 19 May to 31 December 2021)</b>
Roger Munnings (Chairman, Independent Director)	Roger Munnings (Chairman, Independent Director)
Vyacheslav Solomin	Vyacheslav Solomin
Sergey Bratukhin (Independent Director)	Sergey Bratukhin (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.