

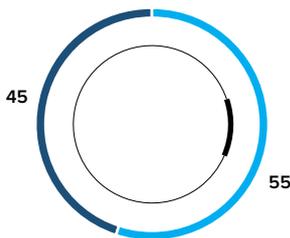
# BOARD COMMITTEES

## AUDIT AND SUSTAINABLE DEVELOPMENT COMMITTEE

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

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

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



- Independent directors
- Non-executive directors

## MEMBERS OF THE AUDIT AND SUSTAINABLE DEVELOPMENT COMMITTEE

### Committee members before the Annual General Meeting of Shareholders (13 May 2020)

Roger Munnings  
(Chairman, Independent Director)

Alexey Bashkirov

■■■■■■■■  
(Independent Director)

Vyacheslav Solomin

Robert Edwards  
(Independent Director)

### Committee members after the Annual General Meeting of Shareholders (13 May 2020)

Roger Munnings  
(Chairman, Independent Director)

Vyacheslav Solomin

■■■■■■■■  
(Independent Director)

Sergey Batekhin

Robert Edwards  
(Independent Director)

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

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

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

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

The Committee discharges its responsibilities by overseeing:

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

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



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

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

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

## STRATEGY COMMITTEE

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

## MEMBERS OF THE STRATEGY COMMITTEE

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

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

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

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

The Strategy Committee’s key areas of focus:

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

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

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

## BUDGET COMMITTEE

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

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

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

## CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

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

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

## MEMBERS OF THE BUDGET COMMITTEE

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

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

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

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

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

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

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

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

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