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## COMMITTEES OF THE BOARD OF DIRECTORS

Committees established by the Board of Directors are in charge of review of the most important matters and preparation of recommendations to the Board of Directors.

To ensure efficiency and proper fulfilment of their functions, the committees may discuss matters with the Company's management bodies and seek opinions of external consultants.

### Audit Committee

The Audit Committee deals with matters related to accounting and financial statements, internal and external audits, prevention of wrongdoings by employees and third parties, as well as matters related to the environment and health and safety.

In the reporting year, the Committee held 10 meetings, including four in person and three in absentia, as well as three joint meetings (a joint meeting of the Audit and Strategy Committees on 26 May 2016, and two joint Meetings of the Audit and Strategy Committees on 11 March 2016 and 26 August 2016).

Three of the five members of the Audit Committee, including its Chairman, are independent directors. No executive directors are members of the Audit Committee.

The Audit Committee plays an important role when it comes to controls and accountability and has become an effective interface between the Board of Directors, the Audit Commission, external auditor, the Internal Audit Department and management of the Company.

During the reporting year, the Audit Committee has developed for the Board of Directors a number of recommendations dealing with the accuracy, completeness and validity of the Company's financials, health, safety and environment, accounting for metal bearing products, approval of the Company's auditors, and approval of the Regulation on the Internal Audit Department. The Audit Committee also considered and took note of the results achieved in identifying, assessing and managing technical and production risks across Norilsk Nickel Group's operations and assets, and results of audits conducted by the Internal Audit Department.

### Members of the Audit Committee

Before 20 June 2016	After 20 June 2016
Gerhardus Prinsloo, Chairman, independent director	Gerhardus Prinsloo, Chairman, independent director
Robert Edwards, independent director	Robert Edwards, independent director
Alexey Bashkirov	Alexey Bashkirov
Stalbek Mishakov	
	Rushan Bogaudinov <sup>1</sup>
	Sergey Bratukhin <sup>1</sup> , independent director

### Plans for 2017

In 2017, the Audit Committee will carry on with an emphasis on independence and impartiality of both internal and external audits, as well as efficiency and validity of the risk management system.

### Strategy Committee

The Strategy Committee was established to support the Board of Directors by conducting preliminary reviews of the matters pertaining to sustainable business development, investment planning, business restructuring, and interaction with capital markets and government authorities.

Throughout the year, the Committee held eight meeting, including five meetings in person, one in absentia and two joint meetings (one with the Strategy Committee on 26 May 2016, and the other with the Corporate Management, Nomination and Remuneration Committee on 27 April 2016).

The Strategy Committee is made up of five directors, including three independent directors. All directors are non-executive.

### Members of the Strategy Committee

Members of the Strategy Committee in 2016 <sup>2</sup>
Maxim Sokov, Chairman
Gerhardus Prinsloo, independent director
Alexey Bashkirov
Gareth Peter Penny, independent director
Sergey Bratukhin, independent director

<sup>1</sup> Joined the Committee as per the Board of Directors' resolution of 20 June 2016 (Minutes No. GMK/22-pr-sd).

<sup>2</sup> In 2016, there were no changes to the Committee's composition.

The Strategy Committee's focus is on supporting the Board of Directors in developing, implementing and revising the corporate strategy and preparing recommended updates thereto. During the year, the Strategy Committee issued recommendations to the Board of Directors to facilitate decision-making on updating the Company's development strategy and approving its function-specific strategies (sales, marketing, environment, transport and logistics, health and safety, fuel and energy). The Committee also revised the list of non-core assets and reviewed reports on their sales and implementation of the corporate procurement policy. For strategic planning purposes, the Committee reviewed the long-term reserve base development plans, production reports and deliverables of a programme designed to improve production efficiency and reduce operating costs of the Company on a quarterly basis.

#### Budget Committee

The Budget Committee is in charge of preliminary review and development of recommendations pertaining to finance, budgeting, business plans and monitoring of their implementation.

During the reporting year, the Budget Committee held a total of seven meetings, including one meeting in person, four meetings in absentia, and two joint meetings (with the Audit Committee on 11 March and 26 August 2016).

The Budget Committee is made up of five directors, including two independent directors. All directors are non-executive.

The key role of the Budget Committee throughout the year was to issue recommendations to the Board of Directors in order to facilitate decision-making on the amount of dividends and the record date to be suggested by the Board of Directors. The Budget Committee also considered key terms related to the renewal of the corporate insurance policies and noted the relevant management efforts. The Committee approved the Company's 2017 budget and recommended the continuation of the capital expenditure reduction initiatives

#### Members of the Budget Committee

Before 20 June 2016	After 20 June 2016
Alexey Bashkirov, Chairman	Alexey Bashkirov, Chairman
Sergey Barbashev	Sergey Barbashev
Sergey Bratukhin, independent director	Sergey Bratukhin, independent director
Gerhardus Prinsloo, independent director	Gerhardus Prinsloo, independent director
Vladislav Soloviev	Stalbek Mishakov <sup>1</sup>

#### Corporate Governance, Nomination and Remuneration Committee

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

- assessing, controlling and improving the Company's corporate governance framework;
- ensuring succession planning for the Board of Directors and the Management Board of the Company;
- providing incentives, assessing the performance of the Company's Board of Directors, Management Board, President and Corporate Secretary, and setting applicable remuneration policies;
- supervising the development and implementation of the Company's information policy.

Throughout the year, the Committee held seven meetings, including four meetings in person, two meetings in absentia, and one joint meeting (on 27 April 2016, with the Strategy Committee).

The Committee is made up of five directors, including three independent directors, one of whom chairs the Committee. All directors are non-executive.

#### Members of the Corporate Governance, Nomination and Remuneration Committee

Before 20 June 2016	After 20 June 2016
Sergey Bratukhin, Chairman, independent director	Sergey Bratukhin, Chairman, independent director
Sergey Barbashev	Sergey Barbashev
Stalbek Mishakov	Stalbek Mishakov
Robert Edwards, independent director	Robert Edwards, independent director
	Gerhardus Prinsloo <sup>1</sup> , independent director

<sup>1</sup> Joined the Committee as per the Board of Directors' resolution of 20 June 2016 (Minutes No. GMK/22-pr-sd).

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The Committee issued recommendations to the Board of Directors in order to facilitate decision-making on the convocation, preparation and running of annual and extraordinary general meetings of shareholders, and on the matters reserved to such meetings (remuneration and reimbursement of expenses of the members of the Board of Directors and the Audit Commission, liability insurance and indemnification of the members of the Board of Directors and the Management Board).

Additionally, the Corporate Governance, Nomination and Remuneration Committee approved the revised regulations on several committees of the Board of Directors, advised the Board of Directors on evaluation of directors' performance in 2016, and reviewed the Company's management updates on implementation of the Our Home and My Home programmes, as well as the medium-term chartable policy of the Company.



## Pavel Platov

Corporate Secretary since 2011

**Born in:** 1975

**Nationality:** Russia

**Share in the Company's authorised capital:** 0%

**Share in the common stock:** 0%

**Education:**

Dobrolyubov Linguistics University of Nizhny Novgorod, Russian Presidential Academy of National Economy and Public Administration

**Track record:**

2011–present – Corporate Secretary at MMC Norilsk Nickel (formerly, until 2015, JSC Norilsk Nickel)

### CORPORATE SECRETARY

The mission of the Corporate Secretary is to ensure implementation and enforcement of all protections and remedies that our shareholders may enjoy under the law or internal regulations.

Pursuant to the Company's Charter, the Corporate Secretary is elected by the Board of Directors for a three-year term. The Board of Directors may dismiss the Corporate Secretary early.

The Corporate Secretary is responsible for:

- making arrangements for General Meetings of Shareholders as provided for by the applicable laws of the Russian Federation, Company's Charter, and by-laws;
- making arrangements for Meetings of the Board of Directors and its committees as provided for by the applicable laws of the Russian Federation, Company's Charter, and by-laws;
- providing ongoing support and assistance to the Board of Directors, its committees, and members;
- contributing to improvements to the corporate governance framework and its implementation;
- managing Company's interactions with shareholders and preventing corporate conflicts.

In accordance with the Regulation on the Corporate Secretary of Norilsk Nickel (Minutes of a BD meeting No. GMK/14-pr-sd of 20 April 2015), the Corporate Secretary reports to the President and is accountable to the Board of Directors.

At this time, the Corporate Secretary is Mr. Pavel Platov.