

MAINTAINING CORPORATE CULTURE AS ADDED VALUE FOR STAKEHOLDERS



03

CORPORATE GOVERNANCE

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FROM THE DEPUTY CHAIRMAN OF THE BOARD OF DIRECTORS



“ Corporate governance is key to the success of MMC Norilsk Nickel as a public company. The Corporate Governance, Nomination and Remuneration Committee, alongside the Board of Directors, works hard to implement the best corporate governance practices and procedures across the Company. This goes beyond the pragmatics of investor appeal and shareholder confidence, and becomes an essential tool to improve the efficiency of our operations and maintain our competitive edge. The Corporate Governance Excellence Programme launched by the Committee has been in place since 2014.

”

Corporate Governance Excellence Programme

In 2014, as part of this programme, our shareholders approved the Directors' Remuneration Policy and set fixed annual remuneration for non-executive directors, taking into account their roles, such as chairing the Board, chairing a committee or being a member of a committee, and officially refused from performance-based bonuses and options.

In September 2014, the Board adopted the Directors' Code of Corporate Conduct and Business Ethics that outlines their fundamental duties, such as maintaining the highest standards of business ethics, acting in the best interests of the Company, and not using any insider information.

In November 2014, the Board endorsed the Company's Anti-Corruption Policy that addresses compliance with anti-corruption statutes, prevention, identification and elimination of factors that may breed corruption.

In December 2014, the Board of Directors adopted the Directors' Professional Development Policy that includes an onboarding programme for newly elected directors designed to help them learn about the Company's major assets, strategy, business practices, corporate structure, key management members, and Board procedures, as well as an annual professional development programme. The Board of Directors updates this programme every year, following the annual performance review, with account of each director's qualifications, experience, needs, and suggestions.

In January 2015, the Board adopted the Directors' Performance Assessment Policy calling for both self-assessment and independent audits. Starting from February 2015, the self-assessment exercise has been run on a regular basis.

In 2015, as part of implementation of the Code of Corporate Conduct, the Board adopted the Policy for Development and Approval of Voting Recommendations in respect of Candidates to the Board of Directors of the Company defining the major principles and procedure for the Board of Directors to prepare recommendations on voting at the General Meeting of Shareholders on election of directors.

Additionally, in 2016, we adopted the Dividend Policy and the revised Regulations on the Committees of the Board of Directors (including those in charge of corporate governance, nomination and remuneration, strategy, audit, and budget), and implemented a programme requiring the members of the Company's governance bodies to disclose their affiliations. In 2017, the Company is committed to continuous improvement of its corporate governance framework, policies and procedures following the standards set by the Corporate Governance Code endorsed by the Bank of Russia. First and foremost, our focus will be on sustainable development and corporate responsibility, efficient operation of the Board of Directors and its committees, improvements to internal audit procedures, transparency and disclosure practices. When it comes to our shareholders and investors, we strive to go beyond the mandatory legal compliance and to ensure adequate disclosure and transparency.

Compliance with the Corporate Governance Code

MMC Norilsk Nickel follows the general guidelines of the Corporate Governance Code endorsed by the Bank of Russia.

We make every effort to implement and improve our corporate governance practices and procedures in line with its provisions.

A full report on compliance with the Code can be found in the Additional Information section of this Annual Report.

Board of Directors

The Board of Directors is in charge of the overall strategic management of the Company, its long-term sustainable development, strategic goal-setting and oversight of the Company's executive bodies. Throughout the year, the Board tackled such issues as overhauling our corporate strategy and reviewing the outcomes of several function-specific strategies, including sales and marketing, transportation and logistics, long-term production planning, and human capital development. The environmental issues, including the sulphur emissions reduction programme, have been our highest priorities. In 2017, we plan to continue the work in progress and focus on our corporate risk management system.

The Chairs of the Board and its committees do their best to provide a positive environment for resolving all matters on their respective agendas, taking

into account the opinions of non-executive and independent directors. One other thing that makes the Board of Directors truly efficient is its diversity, including the involvement of independent directors whose expertise in mining, finance and strategic management helps us to strengthen and advance our leadership in the global mining industry.

The Board Committees have made a great contribution to its activities: they pre-screened more than half of the matters brought to the attention of the Board. We are committed to continuous improvement of our corporate governance practices in 2017. Our Corporate Governance, Nomination and Remuneration Committee, the Board of Directors and the management team are aware of the challenges we face and are certain that we shall overcome them.

>50%

of the matters the Board Committees pre-screened before brought to the attention of the Board of Directors

Andrey Bougrov

*Deputy Chairman of the Board of Directors,
PJSC "MMC "Norilsk Nickel"*

CORPORATE GOVERNANCE FRAMEWORK

Our corporate governance framework is designed to take into account and balance the interests of shareholders, the Board of Directors, managers and employees, as well as other stakeholders.

Principles

We are guided by the applicable laws of the Russian Federation and principles set forth in the Corporate Governance Code that has become a key source for development of the Company's internal regulations and a guidance to nurture best corporate governance practices.

Our core corporate governance values are:

- equitable and fair treatment of every shareholder;
- professionalism and leadership of the Board of Directors;
- accountability of the Board of Directors and executive bodies;
- corporate social responsibility;
- transparent and timely disclosure;
- anti-corruption measures.

Structure

GENERAL MEETING OF SHAREHOLDERS

This is the supreme corporate body of the Company.

Its exclusive authority includes:

- amending and supplementing the Company's Charter and approving the revised Charter;
- restructuring and liquidating the Company;
- increasing and/or decreasing the authorised capital;
- splitting and/or consolidating the Company's shares;
- electing members of the Board of Directors, the Audit Commission and the President, and approving the Company's auditors;
- approving annual reports, accounting/financial statements, and internal regulations on the Company's corporate bodies;
- distributing annual profit, including dividends;
- making arrangements for dividend payouts after the first quarter, six months, and nine months of the reporting year.

The General Meeting of Shareholders is convened on the annual basis. It takes place no sooner than three and no later than six months following the end of the preceding financial year. The scope of the Annual General Meeting's authority includes election of members of the Board of Directors and the Audit Commission, as well as approval of annual reports and accounting/financial statements of the Company.

Extraordinary General Meetings of Shareholders may be convened by the Board of Directors, or at request of the Audit Commission, the Company's auditor, or shareholder(s) owning at least 10% of the Company's voting shares.

Except for the cumulative voting for the Board of Directors, each voting share is counted as one vote at the General Meeting.

/ Corporate governance framework /

BOARD OF DIRECTORS

This is a collegial governance body in charge of strategic management of the Company and oversight of its executive bodies' activities.

Pursuant to the Charter, the Board consists of 13 directors. Members of the Board are elected at the Annual General Meeting of Shareholders for a period extending until the next Annual General Meeting of Shareholders.



For more details on directors, please see the Corporate Bodies section of this report

CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman is responsible for day-to-day operation of the Board of Directors, and convenes and chairs its meetings, makes arrangements for minute-taking and chairs the General Meetings of Shareholders.

For the last four years, the Board has been chaired by Gareth Peter Penny, an independent director.



For more details on the Chairman's biography, please see the Corporate Bodies section of this report

INDEPENDENT DIRECTORS

These are individuals having sufficient professional skills, experience and independence to act on their own and make impartial sound decisions that are not influenced by the Company's executive bodies, or particular groups of shareholders or other stakeholders.

We adhere to international standards and recommendations set in the Corporate Governance Code endorsed by the Bank of Russia relating to the number of independent directors. As at 31 December 2016, five of our Board members (i.e. 38%) met the director's independence criteria as defined by the Moscow Exchange.

COMMITTEES OF THE BOARD OF DIRECTORS

These are ancillary bodies set up by the Board of Directors. Their function is to provide preliminary review of critical matters and advise the Board on relevant decisions.

The Board of Directors has set up four committees:

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



For more details on the Committees, please see the Corporate Bodies section of this report

PRESIDENT

The President is the sole executive body in charge of day-to-day operations of the Company. The President acts as the Chair of the Management Board. The President is elected at the General Meeting of Shareholders for an indefinite period.

The President reports to the Board of Directors and the General Meeting of Shareholders. Since 2015, this position has been held by Vladimir Potanin (who in 2012–2015 was the CEO of the Company).



For more details on the President's biography, please see the Corporate Bodies section of this report

MANAGEMENT BOARD

This is a collegial executive body in charge of day-to-day management of the Company within its authority as set in the Charter and implementation of resolutions approved by the General Meeting of Shareholders and/or the Board of Directors.

Members of the Management Board are elected by the Board of Directors for an indefinite period. As at 31 December 2016, the Management Board consisted of 13 members.



For more details on the members of the Management Board, please see the Corporate Bodies section of this report

CORPORATE SECRETARY

This is a corporate officer whose duties include managing shareholder relations, making the necessary arrangements to protect their rights and interests, and providing efficient operating support to the Board of Directors. The Corporate Secretary reports to the Board of Directors.

Pursuant to the Charter, the Secretary is appointed by the Board of Directors for a three-year term.

Since 2011, this position has been held by Pavel Platov.



For more details on the Secretary's biography, please see the Corporate Bodies section of this report

AUDIT COMMISSION

The Audit Commission controls the Company's financial and business transactions.

It performs annual internal audits of the Company's operations (including validation of the data used in annual reports and accounting/financial statements), as well as other internal audits as it may see fit or as requested by the General Meeting of Shareholders, the Board of Directors or any shareholders owning at least 10% of the Company's stock.

Members of the Audit Commission are elected at the Annual General Meeting of Shareholders for a term extending to the next Annual General Meeting of Shareholders. Members of the Audit Commission shall not simultaneously serve on the Company's Board of Directors or hold other positions in the Company's corporate bodies.



For more details on the Audit Commission, please see the Risk Management Framework and Control Bodies section of this report

INDEPENDENT AUDITOR

This is a firm or an individual commissioned to audit accounting/financial statements of the Company and provide an independent opinion regarding their accuracy.

The auditor shall be approved by the annual General Meeting of Shareholders.

In 2016, the annual General Meeting of Shareholders has approved JSC KPMG as the Company's auditor for both IFRS and Russian accounting standards.



For more details on the independent audit, please see the Risk Management Framework and Control Bodies section of this report

INTERNAL CONTROL AND RISK MANAGEMENT UNIT

This unit is in charge of improving the risk management and internal control framework, detecting and preventing any waste, misuse or misappropriation of funds or assets of the Company and its subsidiaries, wrongdoings and theft, as well as ensuring accuracy of metrics and measurement standards and combating illegal activities, such as money laundering and terrorism financing.



For more details on the Internal Control and Risk Management Unit, please see the Risk Management Framework and Control Bodies section of this report

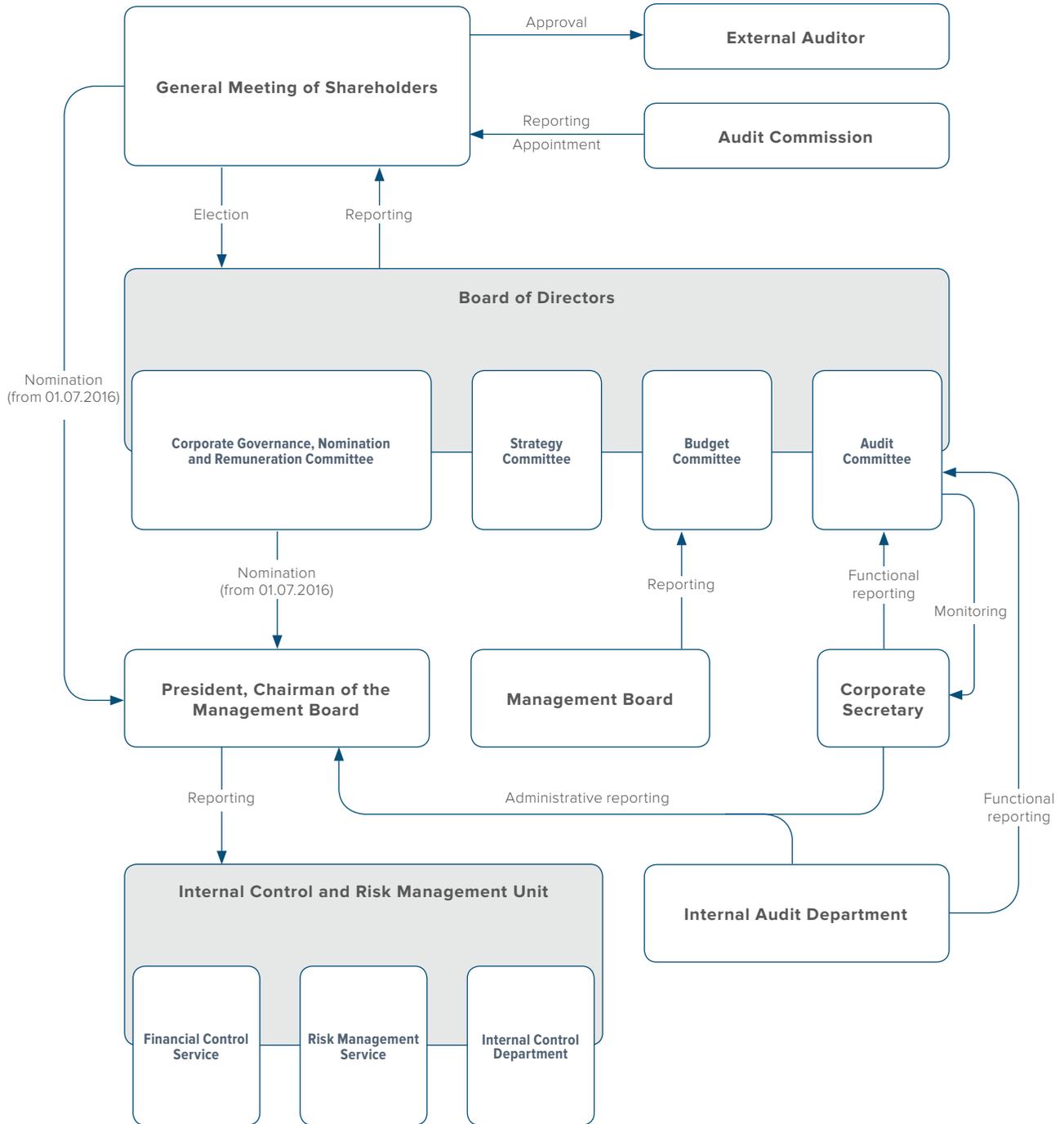
INTERNAL AUDIT DEPARTMENT

This department is in charge of independent audits, including assessment of the risk management and internal control framework of the Company and its subsidiaries.



For more details on the Internal Audit Department, please see the Risk Management Framework and Control Bodies section of this report

STRUCTURE



38%
met the director's
independence criteria

13
directors
make up the Board,
pursuant to the Charter

13
members
make up the Management
Board

Achieving excellence in corporate governance

CORPORATE GOVERNANCE ASSESSMENT

The Company has introduced annual performance assessments of the Board of Directors in 2014 in order to improve the corporate governance framework. All directors must fill out an online questionnaire following a schedule approved by the Board of Directors. The questionnaire contains 76 questions, divided into three parts and 15 sections. All questions are graded on a scale from 1 (unsatisfactory) to 10 (excellent). For each question there is a text field where directors may enter additional comments. Answering all questions is mandatory.

Such evaluation of the Board of Directors helps us identify gaps, their root causes and opportunities for improvement.

In 2016, the Independent Directors Association, along with the Bank of Russia and Moscow Exchange, performed an independent evaluation of corporate governance matters in 65 top-tier companies listed on the Moscow Exchange. This evaluation relied on the Good Governance Index developed by the Institute of Directors (UK) and Cass Business School using three measurement elements. According to the resulting corporate governance index, the Company was ranked in the top 10 and scored 814 points (out of 1,000) based on questionnaires and 745 based on corporate governance metrics.

ACHIEVING EXCELLENCE IN CORPORATE GOVERNANCE

The Company continuously improves its corporate governance framework to enhance efficiency and ensure compliance with global best practices. Since 2002, the Company has been following the recommendations of the Code of Corporate Conduct of the Federal Commission for the Securities Market, and after the Code of Corporate Governance had been approved on 21 March 2014 by the Board of Directors of the Bank of Russia, the main recommendations of the latter.

Our Corporate Governance Framework Improvement Programme was approved and adopted by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors in December 2013. In 2016, the Programme was enhanced with a set of initiatives aimed at improving performance of the Board and its committees.

Some of the key initiatives under our Corporate Governance Framework Improvement Programme for 2016 included:

- approving revised regulations for committees of the Board of Directors;
- inviting all stakeholders to participate in town-hall style meetings of corporate bodies;
- developing and implementing procedures for the disclosure of affiliations by Company's managers and directors;
- approving the Company's Internal Control Policy.

In 2017, the Company is planning to gradually implement the principles and procedures set out in the approved regulations in order to improve the performance of the Company's Board of Directors and its committees.

814/1,000

points

received by the Company according to the survey in research Good Governance Index

CORPORATE BODIES

Board of Directors and its committees

FUNCTIONS OF THE BOARD OF DIRECTORS

Meetings of the Board of Directors (in person or in absentia) are held as and when required, but at least once every six weeks. The procedure for convening and holding meetings of the Board of Directors is specified in the Company's Regulation on the Board of Directors.

The Board of Directors sets the fundamental principles of business conduct and is responsible for nurturing our business and social culture.

The scope of powers of the Board of Directors includes:

- setting priority goals and defining Company's development strategy;
- approving the Company's Dividend Policy and providing recommendations on dividend per share;
- approving the internal control system and procedures, identifying key risks associated with the Company's operations, and implementing relevant risk management initiatives and procedures, appointing, electing and terminating powers of members of the Management Board, setting remuneration payable to the Company's President, members of the Management Board, Corporate Secretary, and Head of Internal Audit.
- acting on other matters as provided for by the Federal Law On Joint Stock Companies and the Company's Charter.

Pursuant to Regulation on the Board of Directors approved by the Annual General Meeting of Shareholders of MMC Norilsk Nickel held on 30 June 2009, the key responsibilities of the Chairman of the Board of Directors are as follows:

- ensuring high efficiency of the Board of Directors and its committees;
- convening the Board of Directors meetings and preparing their agendas;
- chairing the Board of Directors meetings or organising absentee voting;
- making arrangements for minutes to be taken at meetings of the Board of Directors and signing these minutes;
- preparing reports of the Board of Directors for the year to be included in the Company's Annual Report.

Since March 2013, the Board of Directors has been chaired by independent non-executive director Gareth Peter Penny. During the year the Board, under his leadership, approved several crucial resolutions dealing with the Company's growth strategy, long-term production planning, marketing and sales strategy, strategic health and safety issues, environmental projects and human capital development, and took steps to preserve the Company's competitive edge. Simultaneous participation of the Chairman of the Board of Directors in other companies' boards of directors did not affect his performance in respect of the Board of Directors of MMC Norilsk Nickel.

CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors is elected among the members of the Board of Directors by themselves by a majority vote from the total number of members of the Company's Board of Directors. The Board of Directors is entitled to elect a new Chairman of the Board of Directors at any time. When the Chairman of the Board of Directors is unavailable, the respective responsibilities are assumed by a member of the Board of Directors appointed by the Board of Directors.

The key goal of the Chairman of the Board of Directors is to ensure high levels of trust at Board meeting and constructive cooperation between the members of the Board and corporate management.

INDEPENDENT DIRECTORS

In accordance with global corporate governance practices and recommendations of the Corporate Governance Code, no less than one third of the Board of Directors should consist of independent directors. Moreover, the Company believes that independent directors are key to efficient operation of the Board of Directors and thoughtful decision-making.

All independent directors meet the independence criteria recommended by the Corporate Governance Code and requirements established by the current version of the Listing Rules of the Moscow Exchange, which state that an independent director is one who is not related to:

- the Company;
- any of the substantial shareholders of the Company;
- any of the substantial counterparties of the Company;
- any competitor of the Company;
- federal (Russian Federation or its constituent entities) and regional governments or municipal entities.

The Company sees independent directors as very valuable contributors to the efficiency of the Board, in particular, in terms of ensuring that the matters on the agenda of the Board are treated fairly, and reinforcing shareholders' and investors' confidence in actions taken by the Board of Directors.

Five (38%) out of 13 directors are independent.

DIRECTORS' LIABILITY INSURANCE

Since 2003, the Company has had its directors' liability insured. The insurance aims to cover potential damages arising from unintended erroneous actions of the Company's directors in their management activities.

Pursuant to the insurance agreement, premiums shall not exceed USD 1 mln. The terms and conditions of the agreement, as well as the amount of insurance coverage, are consistent with the world's best practices for such risks.

Pursuant to the insurance agreement, premiums shall not exceed

USD 1 mln

PERFORMANCE OF THE BOARD OF DIRECTORS

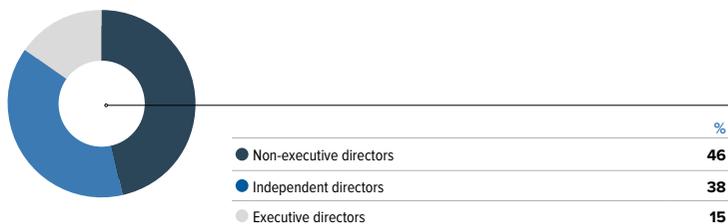
In 2016, there were 13 directors, including five independent directors, six non-executive directors, and two executive directors.

Years on the Board:

- <1 year – Andrey Korobov, Rushan Bogaudinov
- 1 to 3 years – Gareth Peter Penny, Alexey Bashkirov, Robert Edwards
- >3 years – Andrey Bougrov, Sergey Barbashev, Marianna Zakharova, Stalbek Mishakov, Gerhardus Prinsloo, Maxim Sokov, Vladislav Soloviev.

On average, members of the Audit Committee of the Company's Board of Directors have more than 10 years of experience in finance.

Structure of the Board of Directors



Source: Company data

Breakdown by years served on the Board of Directors



Source: Company data

/ Corporate bodies / Board of Directors and its committees

In 2016, we have successfully overcome the unfavourable market trends and once again have confirmed Norilsk Nickel’s leadership in Russia and worldwide. Our production and financial results validate the long-term growth strategy chosen by the Company. Tight cooperation between the Board of Directors and the Company’s management has unleashed true synergies. The Company, as well as its business partners, shareholders and the Russian government were beneficiaries of this synergistic effect coming from diversity and integration of a variety of experiences and points of view.

Throughout the year, the Board’s attention was focused on the Company’s strategies and priorities, oversight over executive bodies, corporate governance, nomination, remuneration and social responsibility matters. The Board of Directors made decisions and took appropriate measure to ensure that the Company adheres to the highest standards in health, safety and environment across all geographies.

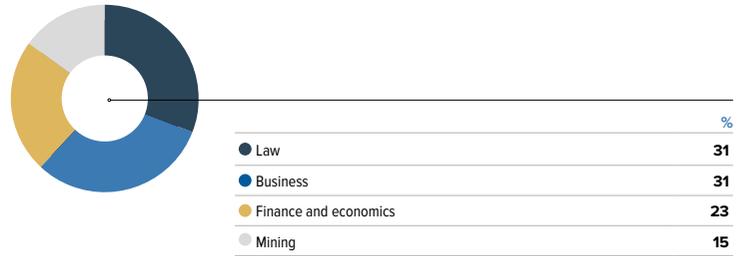
Internal performance assessments of the Board of Director and its committees have been an inherent part of Company’s operations since 2014. The relevant policy in effect requires all directors to fill out online questionnaires when prescribed by the Board of Directors.

Performance assessments help us identify corporate governance performance gaps, re-balance financial and management priorities, support growth, and ensure our leadership standing in the Russian economy going forward.

In 2016, the Board of Directors held 50 meetings, including:

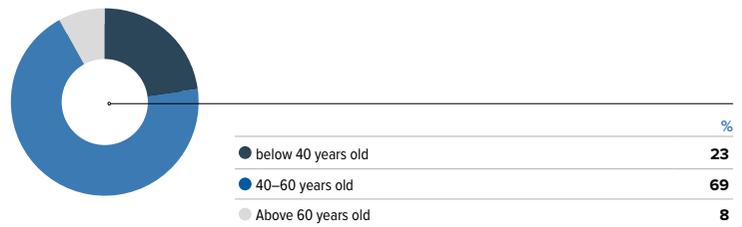
- 7 meetings in person;
- 43 meetings in absentia.

Breakdown by industry experience



Source: Company data

Breakdown by age



Source: Company data

Number of Board of Directors meetings

Year	Number of Board of Directors meetings			Number of matters considered
	Total	In person	In absentia	
2016	50	7	43	1,024
2015	47	9	38	864
2014	42	8	34	736

1,024
matters
have been considered

COMPOSITION OF THE BOARD OF DIRECTORS

There have been no changes in the composition of the Board of Directors following the Annual General Meeting of Shareholders held on 10 June 2016.

Directors' participation in meetings of the Board of Directors and its committees

Full name	Title	Years on the Board of Directors	Number of meetings of the Board of Directors	Strategy Committee	Budget Committee	Audit Committee	Corporate Governance, Nomination and Remuneration Committee
Gareth Peter Penny	Chairman / Independent Director	3 years	50/50	8/8	-	-	-
Gerhardus Prinsloo	Independent Director / Chairman of the Audit Committee	4 years	50/50	8/8	7/7	10/10	3/8
Robert Edwards	Independent Director	3 years	50/50	-	-	10/10	8/8
.....	Independent Director / Chairman of the Corporate Governance, Nomination and Remuneration Committee	3 years	50/50	8/8	7/7	4/10	8/8
Andrey Korobov	Independent Director	1 year	50/50	-	-	-	-
Andrey Bougrov	Executive Director	14 years	50/50	-	-	-	-
Marianna Zakharova	Executive Director	6 years	50/50	-	-	-	-
Sergey Barbashev	Non-executive Director	5 years	50/50	-	7/7	-	8/8
Alexey Bashkirov	Non-executive Director / Chairman of the Budget Committee	3 years	50/50	8/8	7/7	10/10	-
Maxim Sokov	Non-executive Director / Chairman of the Strategy Committee	8 years	50/50	8/8	-	-	-
Vladislav Soloviev	Non-executive Director	6 years	50/50	-	3/7	-	-
Stalbek Mishakov	Non-executive Director	4 years	50/50	-	5/7	6/10	7/8
Rushan Bogaudinov	Non-executive Director	1 year	50/50	-	-	4/10	-

/ Corporate bodies / Board of Directors and its committees

BIOGRAPHIES OF MEMBERS OF THE BOARD OF DIRECTORS



Gareth Penny

Independent director
Chairman of the Board of Directors since 2013
Member of the Strategy Committee

Born in: 1962

Nationality: UK

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Diocesan College (Bishop); Eton College (Cape Town); Oxford, Rhodes Scholar, Master of Arts in Philosophy, Politics and Economics

Track record:

2007–present: Director at Julius Bär Holding Ltd
2011–2012: CEO at AMG Mining
2012–2016: Executive Chairman at New World Resources plc, Executive Director at New World Resources NV
2012–2016: Director at OKD
2016–present: non-executive Chairman of the Board of Directors at Pangolin Diamonds Corp.



Andrey Bougrov

Executive director
Deputy Chairman of the Board of Directors since 2013
Member of the Management Board since 2013

Born in: 1952

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

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

Track record:

2002–present: member of the non-governmental Council on Foreign and Defence Policy
2006–present: member of the Management Board of the Russian Union of Industrialists and Entrepreneurs
2010–2013: member of the Management Board and Deputy CEO at Interros Holding Company
2011–2013: Chairman of the Board of Directors at MMC Norilsk Nickel
2013–2014: member of the Board of Directors of the Federal Hydro-Generating Company RusHydro
2013–present: Vice President at Interros Holding Company LLC (Interros Holding Company CJSC until 2015)
2013–2015: member of the Management Board, Deputy Chairman of the Board of Directors, and Deputy CEO at MMC Norilsk Nickel
2013–present: Vice President of the Russian Union of Industrialists and Entrepreneurs
2014–present: member of the Board of Directors at Inter RAO UES PJSC (Inter RAO UES OJSC until 2015)
2014–present: Deputy Head of the Russian President's Expert Council on Anti-Corruption
2015–present: member of the Management Board, Deputy Chairman of the Board of Directors at MMC Norilsk Nickel
2015–present: Member of the Investment Committee at the Federal Hydro-Generating Company RusHydro
2015–present: Senior Vice President at MMC Norilsk Nickel (formerly Vice President until 2016)
2016–present: member of the Expert Council on Corporate Governance at the Bank of Russia
2016–present: Chairman of the Issuer Committee at the Moscow Exchange



Sergey Barbashev

Non-executive director
Member of the Board of Directors since 2011
Member of the Corporate Governance, Nomination and Remuneration Committee

Born in: 1962

Nationality: Russia

Share in the Company's authorised capital: 0.000088%

Share in the common stock: 0.000088%

Education:

Moscow Higher School of Militia of the Ministry of Internal Affairs of the USSR, degree in law

Track record:

2008–present: CEO and Chairman of the Management Board at Interros Holding Company LLC (Interros Holding Company CJSC until 2015)
2008–present: member of the Board at the Vladimir Potanin Charitable Foundation
2011–present: Chairman of the Board of Directors of Rosa Khutor Ski Resort Development Company
2015–present: branch director at Olderfrey Holdings Ltd.
2016–present: member of the Board of Endowment for Education, Science and Culture
2016–present: Director at Olderfrey Holdings Ltd.



Alexey Bashkirov

Non-executive director
Member of the Board of Directors since 2013
Chairman of the Budget Committee,
member of the Audit Committee, member of
the Strategy Committee

Born in: 1977

Nationality: Russia

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

Share in the common stock: 0%

Education:

Moscow State Institute of International
Relations (MGIMO) of the Ministry of
International Affairs of Russia, degree in
international economics

Track record:

2009–2015: Executive Director, Head
of the Investment Department, Deputy
CEO for Investments at Interros Holding
Company

2009–2013: member of the Board of
Directors at Rosa Khutor Ski Resort
Development Company

2009–2014: member of the Board of
Directors at Prof-Media Management

2011–2015: member of the Management
Board at Interros Holding Company

2012–2014: member of the Board of
Directors at SP Holding, Cinema Park

2014–present: member of the Board of
Directors at Petrowax Pharm, Zaodno

2015–present: member of the
Management Board, Deputy CEO
for Investments at Interros Holding
Company

2016–present: Trustee of the Night Time
Hockey League, a non-profit amateur
hockey foundation



Rushan Bogaudinov

Non-executive director
Member of the Board of Directors since 2015

Born in: 1977

Nationality: Russia

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

Share in the common stock: 0%

Education:

Moscow Stankin State Technology
University, degree in machine building
automation

Track record:

2011–2012: Head of the Internal Audit
Department at Rospechat Agency

2011–2012: Head of the Internal Audit
Department at FreightLink

2012–2015: Head of the Control and
Audit Department at RUSAL Global
Management B. V.

2012–2016: member of the Board of
Directors at Aughinish Alumina Ltd

2012–2016: member of the Board of
Directors at Limerick Alumina Refining
Ltd

2015–present: Function Head at RUSAL
Global Management B. V.



/ Corporate bodies / Board of Directors and its committees



Marianna Zakharova

Executive director
Member of the Board of Directors since 2010

Born in: 1976

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Peoples' Friendship University of Russia (RUDN), master's degree in law

Track record:

2010–2015: member of the Management Board, Deputy CEO for Legal Affairs at Interros Holding Company
2010–2015: member of the Board of Directors at ProfEstate
2015–present: First Vice President for Corporate Governance, Asset Management and Legal Affairs at MMC Norilsk Nickel
2016–present: member of the Management Board at MMC Norilsk Nickel



Andrey Korobov

Independent director
Member of the Board of Directors since 2015

Born in: 1969

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

St. Petersburg State Electrotechnical University; Northwest Academy of Public Service, degree in finance and credit

Track record:

2008–2013: CEO at Dighton Capital Management (Switzerland)
2012–2015: Deputy CEO at Russian Technologies (State Corporation for Promotion of Development, Production and Export of High Technology Industrial Products)
2013–2015: CEO at RT–Global Resources
2013–2015: member of the Board of Directors at TriArc Mining
2014–2016: member of the Board of Directors at Baikal Mining Company
2015–2016: CEO at RT–Business Development



Stalbek Mishakov

Non-executive director
Member of the Board of Directors since 2012
Member of the Corporate Governance, Nomination and Remuneration Committee and the Audit Committee

Born in: 1970

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Moscow State Institute of International Relations (MGIMO), degree in international law
University of Notre Dame, Master's degree
Diplomatic Academy of the Russian Foreign Ministry, PhD in Economics

Track record:

2010–present: Advisor to the CEO at RUSAL Global Management B. V.
2013–present: Deputy CEO at EN+ Management
2013–present: member of the Board of Directors at United Company RUSAL plc



Gerhardus Prinsloo

Independent director
Member of the Board of Directors since 2012
Chairman of the Audit Committee

Born in: 1965

Nationality: Germany

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

University of Pretoria, South Africa

Track record:

2008–2012: Partner, Director at Bain & Company Russia LLC
2012–present: CEO of Natural Resource Partnership



Maxim Sokov

Non-executive director
Member of the Board of Directors since 2008
Chairman of the Strategy Committee

Born in: 1979

Nationality: Russia

Share in the Company's authorised capital: 0.0011%

Share in the common stock: 0.0011%

On 20 January 2016, acquired 1,753 registered common non-documentary shares in MMC Norilsk Nickel

Education:

Russian State Tax Academy under the Russian Ministry of Taxes, degree in law; New York University, master's degree in law

Track record:

2008–2013: CEO at OK RUSAL – Investment Management
2011–2012: Director for Strategy at RUSAL Global Management B. V.
2012–present: member of the Board of Directors at United Company RUSAL plc
2012–2013: Director for Strategic Investment Management at RUSAL Global Management B. V.
2013–2014: Advisor on Strategic Investment Management at RUSAL Global Management B. V. and First Deputy CEO at En+ Group Ltd
2013–present: CEO at En+ Management, member of the Board of Directors at Eurosib Energo Plc and En+ Group Ltd
2014–present: CEO at En+ Group Ltd



Vladislav Soloviev

Non-executive director
Member of the Board of Directors since 2013

Born in: 1973

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Graduate School of Management of the State Academy of Management
Moscow Stankin State Technology University MBA

Track record:

2010–2014: First Deputy Director of the Branch at RUSAL Global Management B. V.
2014–present: CEO at RUSAL Global Management B. V.



Robert Edwards

Independent director
Member of the Board of Directors since 2013
Member of the Corporate Governance, Nomination and Remuneration Committee, member of the Audit Committee

Born in: 1966

Nationality: UK

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Camborne School of Mines, degree in Mining Engineering

Track record:

2012–2012: Chairman of Global Metals and Mining Research at Renaissance Capital Ltd
2013–2014: Senior Advisor at Royal Bank of Canada (Europe) Capital Markets
2013–present: CEO at Highcross Resources Ltd
2014–present: Director at GB Minerals Ltd
2016–2016: Non-executive Chairman at Sierra Rutile Limited (SRX)

/ Corporate bodies / [Board of Directors and its committees](#)

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 ¹
	■■■■■■■■■■, 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 ²
Maxim Sokov, Chairman
Gerhardus Prinsloo, independent director
Alexey Bashkirov
Gareth Peter Penny, independent director
■■■■■■■■■■, independent director

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

² 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
■■■■■■■■■■, independent director	■■■■■■■■■■, independent director
■■■■■■■■■■, independent director	■■■■■■■■■■, independent director
Vladislav Soloviev	Stalbek Mishakov ¹

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
■■■■■■■■■■, Chairman, independent director	■■■■■■■■■■, Chairman, independent director
Sergey Barbashev	Sergey Barbashev
Stalbek Mishakov	Stalbek Mishakov
Robert Edwards, independent director	Robert Edwards, independent director
	Gerhardus Prinsloo ¹ , independent director

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

/ Corporate bodies / [Board of Directors and its committees](#)

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.

President and Management Board

The President and the Management Board are executive bodies in charge of day-to-day operations. The President serves as the Chairman of the Management Board.

The executive bodies are a key element the Company's management system that ensures implementation of resolutions of the Board of Directors and General Meetings of Shareholders, as well as core corporate plans and programmes, and maintains the efficiency or risk management and internal control functions.

The President and members of the Management Board are elected for life. The Board of Directors may dismiss any member of the Management Board at any time. Since 01 July 2016, the General Meeting of Shareholders has the authority over election and termination of the President.

RESPONSIBILITIES OF THE PRESIDENT:

Acting on behalf of the Company without the power of attorney on the following issues, inter alias:

- representing Company's interests;
- executing transactions;
- approving Company's staffing;
- issuing orders and instructions that are binding on all employees of the Company;
- approving Company's internal documents dealing with such issues as production, technology, finance, accounting, business, human resources, social support, health, safety and document control;
- making decisions on any other issues relating to day-to-day operations which, pursuant to the Company's Charter, are not within the scope of powers of the General Meeting of Shareholders, the Board of Directors or the Management Board.

MANAGEMENT BOARD ACTIVITIES IN 2016

Participation in Management Board meetings in 2016

Vladimir Potanin	38	Onik Aznauryan	38
Elena Bezdenezhnykh	35	Andrey Bougrov	38
Sergey Batekhin	38	Sergey Dyachenko	38
Larisa Zelkova	37	Vladislav Gasumyanov	38
Nina Plastinina	38	Elena Kondratova	38
Alexander Ryumin	37	Marianna Zakharova ¹	24
Sergey Malyshev	38	Pavel Fedorov ²	11

37 meetings
in person
held the Management Board in 2016

RESPONSIBILITIES OF THE MANAGEMENT BOARD:

- conducting preliminary reviews of materials prepared for meetings of the Board of Directors regarding such issues as determination of priorities for the Company's operations, concepts and strategies and approval of plans and budgets;
- preparing proposals for amendments to the Company's Charter;
- preparing proposals related to transactions that require approval by the General Meeting of Shareholders or the Board of Directors;
- analysing and evaluating financial and business performance of the Company;
- drafting proposals for application of the Company's reserve fund;
- Acting on other matters as stipulated in the Company's Charter.

¹ Joined the Management Board as per the Board of Directors' resolution of 27 April 2016 (Minutes No. GMK/15-pr-sd).

² Left the Management Board as per the Board of Directors' resolution of 27 April 2016 (Minutes No. GMK/15-pr-sd).

/ Corporate bodies / [President and Management Board](#)

BIOGRAPHIES OF MEMBERS OF THE MANAGEMENT BOARD



Vladimir Potanin

Company's President since 2015

Chairman of the Management Board since 2012

Born in: 1961

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Moscow State Institute of International Relations (MGIMO), degree in international economics

Track record:

1995–present – Member of the Presidium of the International Foundation for the Unity of Orthodox Christian Nations.
 2000–present – Member of the Bureau and Management Board of the Russian Union of Industrialists and Entrepreneurs
 2001–present – Member of the Board of Trustees of the Solomon R. Guggenheim Foundation (New York).
 2003–present – Chairman of the Board of Trustees of the State Hermitage Museum.
 2004–present – Chairman of the the National Council on Corporate Governance
 2005–present – Member of the Council of Trustees and the Board of the Russian Olympians Foundation
 2006–present – Deputy Chairman of the Board of Trustees of the Moscow State Institute of International Relations (MGIMO), member of the Board of Trustees of the Graduate School of Management (St Petersburg University), and member of the Bureau of the All-Russian Association of Employers (Russian Union of Industrialists and Entrepreneurs)
 2007–2012 – Member of the Presidium of the Russian President's Council for the Development of Physical Culture and Sports, High-Achievement Sports, Preparation and Staging of the XXII Winter Olympic Games and XI Paralympic Games in Sochi in 2014
 2007–present – Member of the Board of Trustees of St Petersburg State University and member of the Board of Trustees of the MGIMO Endowment Fund
 2007–2014 – Member of the Supervisory Board of the Sochi 2014 Steering Committee

2008–2012 – Member of the Russian Government's Competition and Entrepreneurship Council

2008–present – Member of the Board at Vladimir Potanin Charitable Foundation

2009–2016 – Chairman of the Supervisory Board at the Russian International Olympic University

2009–present – Deputy Chairman of the Supervisory Board at the Russian International Olympic University

2009–present

2010–present – Member of the Board of Trustees, Russian Geographical Society.

2011–present – Member of the Board of Trustees of the State Hermitage Museum Endowment Fund, and the Moscow Church Construction Foundation

2012–2015 – CEO and Chairman of the Management Board of MMC Norilsk Nickel

2013-2014 – Member of the Board of Directors of Inter RAO UES

2013–2015 – President of INTERROS Holding Company

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

2015–present – President of INTERROS Holding Company

2016–present – Member of the Board of the Endowment for Education, Science and Culture, and the Chairman of the Board of Trustee of the Night Hockey Foundation for the Development

of Amateur Hockey



Sergey Dyachenko

Member of the Management Board since 2013

Born in: 1962

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Plekhanov Leningrad Mining Institute, degree in Mining Engineering
University of Pretoria (South Africa), master's degree

Track record:

2010–2013 – COO at Kazakhmys Group
2013–2014 – Deputy CEO and Head of Operations at MMC Norilsk Nickel
2014–2015 – First Deputy CEO and COO at MMC Norilsk Nickel
2015–present – First Vice President and COO at MMC Norilsk Nickel
2016–present – Member of the Board at the Non-profit Russian Mining Council Partnership



Marianna Zakharova

Executive Director
Member of the Board of Directors since 2010
Member of the Management Board since 2016

Born in: 1976

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Peoples' Friendship University of Russia (RUDN), master's degree in law

Track record:

2010–2015 – Member of the Management Board, Deputy CEO for Legal Affairs at Interros Holding Company
2010–2015 – Member of the Board of Directors at ProfEstate
2015–present – First Vice President for Corporate Governance, Shareholdings and Legal Affairs at MMC Norilsk Nickel
2016–present – Member of the Management Board of MMC Norilsk Nickel.



Onik Aznauryan

Member of the Management Board since 2013

Born in: 1970

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Yerevan State Polytechnic University; University of Pittsburgh (USA), Master of Business Administration

Track record:

2009–2012 – Deputy CEO at Rosgorstrakh Insurance, member of the Management Board and Head of the President's Office of Rosgorstrakh
2011–2012 – CEO at Severny Port
2012 – CEO at Energostroyinvest–Holding
2013 – Member of the Board of Directors at Norilskgazprom
2013 – Chairman of the Board of Directors at Norilskgazprom
2013–2015 – Deputy CEO for Non-Industrial Assets and Energy at MMC Norilsk Nickel and Head (on a part-time basis) of Norilskenergo, branch of MMC Norilsk Nickel
2015–present – Senior Vice President, Head of Non-Industrial Assets and Energy at MMC Norilsk Nickel (Vice-President until 2016), and Head (on a part-time basis) of Norilskenergo, branch of MMC Norilsk Nickel

/ Corporate bodies / [President and Management Board](#)



Sergey Batekhin

Member of the Management Board since 2013

Born in: 1965

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Krasnoznamenny Military Institute of the USSR Ministry of Defence, army linguist; Plekhanov Russian Academy of Economics, degree in Finance and Credit;

Moscow International Higher Business School (MIRBIS), Master of Business Administration

Track record:

2009–2015 – Member of the Board of Directors of the Continental Hockey League
2012–2015 – Chairman of the Board of Directors at Interport Management Company
2013–2015 – Member of the Management Board, Deputy CEO, Head of Sales, Commerce and Logistics at MMC Norilsk Nickel, and member of the Board of Directors at Metal Trade Overseas SA and Norilsk Nickel Marketing (Shanghai) Co., Ltd
2013–2014 – Member of the Board of Directors, Chairman of the Board of Directors at Yenisey River Shipping Company and member of the Board of Directors at Norilsk Nickel (Asia) Ltd
2015–present – Senior Vice President – Sales, Commerce and Logistics at MMC Norilsk Nickel (Vice-President until 2016)



Andrey Bougrov

Executive Director
Deputy Chairman of the Board of Directors since 2013
Member of the Management Board since 2013

Born in: 1952

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

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

Track record:

2002–present – Member of the Public Council on Foreign and Defence Policy
2006–present – Member of the Management Board of the Russian Union of Industrialists and Entrepreneurs
2010–2013 – Member of the Board and Deputy CEO at Interros Holding Company
2011–2013 – Chairman of the Board of Directors at MMC Norilsk Nickel
2013–2014 – Member of the Board of Directors of the RusHydro Federal Hydro-Generating Company
2013–present – Vice President at Interros Holding Company LLC (Interros Holding Company CJSC until 2015)
2013–2015 – Member of the Management Board, Deputy Chairman of the Board of Directors, Deputy CEO at MMC Norilsk Nickel
2013–present – Vice President of the Russian Union of Industrialists and Entrepreneurs
2014–present – Member of the Board of Directors at Inter RAO UES (Inter RAO UES OJSC until 2015)
2014–present – Member of the Expert Committee of the Russian President's Anticorruption Office
2015–present – Member of the Management Committee, Deputy Chairman of the Board of Directors of MMC Norilsk Nickel
2015–present – Member of the Investment Committee at RusHydro Federal Hydroelectric Generating Company
2015–present – Senior Vice-President at MMC Norilsk Nickel (Vice-President until 2016)
2016–present – Member of the Board of Experts on Corporate Governance at the Bank of Russia
2016–present – Chairman of the Issuer Committee at Moscow Stock Exchange



Sergey Malyshev

Member of the Management Board since 2013

Born in: 1969

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Finance Academy under the Government of the Russian Federation, degree in Finance and Credit; Russian Presidential Academy of National Economy and Public Administration, degree in Public and Municipal Administration; Moscow State Textile Academy, degree in Mechanical Engineering

Track record:

1998–2009 – Deputy General Director for Economy and Finance of CJSC LUKOIL-Neftekhim, managing company of Russian and foreign.
2009–2013 – Deputy CEO for Economics and Finance, First Deputy CEO at Energostroyinvest-Holding
2013–2015 – Deputy CEO, Head of Economy and Finance Unit of OJSC MMC Norilsk Nickel.
2015–2016 – Deputy CEO and Chief Financial Officer at MMC Norilsk Nickel
2016–present – Senior Vice President and CFO at MMC Norilsk Nickel



Larisa Zelkova

Member of the Management Board since 2013

Born in: 1969

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Moscow State University, degree in Journalism

Track record:

1998–2013 – Deputy CEO and PR Director at Interros Holding Company

1999–2014 – CEO of the Vladimir Potanin Charitable Foundation

2007–present – member of the Presidium of the MGIMO Endowment Fund

2009–present – Member of the Board of Trustees at Parvlovsk Gymnasium Private Non-Profit School

2010–2013 – member of the Management Board at Interros Holding Company

2011–2013 – Chair of the Board of Directors at Prof-Media Management, member of the Board of Directors at MMC Norilsk Nickel

2011–present – member of the Board of Directors at Rosa Khutor Ski Resort Development Company, Chair of the Management Board at the State Hermitage Museum Endowment Fund

2011–2016 – Chair of the Supervisory Board at the Russian International Olympic University.

2013–2014 – member of the Board of Directors at Prof-Media Management

2013–2015 – member of the Management Board and Deputy CEO for Social Policy and Public Relations at MMC Norilsk Nickel

2014–present – President, Chair of the Board at the Vladimir Potanin Charitable Foundation

2015–present – member of the Board of Trustees at The Hermitage Foundation UK and member of the Board of Trustees at the Russian Federal Public Academy of Education

2015–2016 – Vice President for HR, Social Policy and Public Relations at MMC Norilsk Nickel

2016–present – member of the Board of Trustees at the Endowment Fund for Education and Culture and Senior Vice President for HR, Social Policy and Public Relations at MMC Norilsk Nickel

2016–present – member of the Board of Trustees at the Endowment Fund for Education and Culture and Senior Vice President for HR, Social Policy and Public Relations at MMC Norilsk Nickel



Elena Bezdenezhnykh

Member of the Management Board since 2012

Born in: 1973

Nationality: Russia

Share in the Company's authorised capital: 0.001%

Share in the common stock: 0.001%

Education:

Krasnoyarsk State University, degree in Law

Track record:

2008–2012 – Director of the Legal Department at MMC Norilsk Nickel and

Head (on a part-time basis) of the Legal Department at RAO Norilsk Nickel

2009–2012 – Member of the Board of Directors at RAO Norilsk Nickel

2011–2013 – Member of the Board of Directors of the Sport Projects Management Company

2012–2013 – Chair of the Board of Norilsk Nickel Non-State Pension Fund and Chair

of the Board of Directors of RAO Norilsk Nickel

2012–2015 – Deputy CEO and head of Corporate Governance, Asset

Management and Legal Affairs at MMC Norilsk Nickel

2015 – Vice President for Corporate Governance, Asset Management and

Legal Affairs at MMC Norilsk Nickel

2015–present – Vice President/Executive Secretary, Head of Government Relations

at MMC Norilsk Nickel

2016–present – Member of the Supervisory Board at the Siberian Federal

University (independent public college)



Vladislav Gasumyanov

Member of the Management Board since 2014

Born in: 1959

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Kiev Civil Aviation Engineering Institute; North-West Academy of Public Administration

Track record:

2009–2012 – Deputy Head of the Russian President's Office for Interregional and Cultural Relations with Foreign States

2012–2015 – Director of Corporate Security and Head of Security at MMC Norilsk Nickel

2014–2015 – Member of the Management Board at MMC Norilsk Nickel

2014–2016 – Member of the Board of Directors at Yenisey River Shipping

Company

2015 – Vice President, Director of Corporate Security and Head of Security at MMC Norilsk Nickel

2015–present – Vice President and Head of Corporate Security at MMC

Norilsk Nickel

/ Corporate bodies / President and Management Board



**Elena
Kondratova**

Member of the Management Board since 2014

Born in: 1972

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Moscow Pedagogical State University, degree in Psychology

Track record:

2009-2013 – Head of the President's

Office at Interros Holding Company

2013-2015 – Chief of Staff at MMC

Norilsk Nickel, Aide to the President of Interros Holding Company (on a part-time basis)

2014-2015 – member of the Management Board at MMC Norilsk Nickel

2015 – Chief of Staff at MMC Norilsk Nickel

2015-present – member of the Management Board, Vice President and Chief of Staff at MMC Norilsk Nickel, and Aide to the President of Interros Holding Company (on a part-time basis)



**Nina
Plastinina**

Member of the Management Board since 2013

Born in: 1961

Nationality: Russia

Share in the Company's authorised capital: 0%

Share in the common stock: 0%

Education:

Moscow Chemical Machinery Construction Institute, degree in Mechanical Engineering; Bauman Moscow Technical Institute, post-graduate degree in Economics and Production Management

Track record:

2008-2013 – Director of Financial Department at Interros Holding Company

2013-2015 – Director of Internal Control Department at MMC Norilsk Nickel

2015-present – Vice-President for Internal Audit and Vice-President for Internal Controls and Risk Management at MMC Norilsk Nickel



**Alexander
Ryumin**

Member of the Management Board since 2013

Born in: 1956

Nationality: Russia

Share in the Company's authorised capital: 0.003%

Share in the common stock: 0.003%

Education:

Kirov Urals Polytechnic Institute, degree in Metallurgical Engineering

Track record:

2008-2012 – Director of Production Management Department at MMC Norilsk Nickel

2012-2015 – CEO of Polar Division at MMC Norilsk Nickel

2015-present – Vice-President, CEO of Polar Division at MMC Norilsk Nickel



On 27 April 2016, the MMC Norilsk Nickel's Board of Directors approved members of the Company's Management Board who continued their work in 2016.

During the reporting year, there have been no transactions with Members of the Management Board involving Company's stock.

Management remuneration system

KEY PERFORMANCE INDICATORS (KPIs)

The KPIs adopted by the Company serve to build a transparent incentive and performance assessment system.

The Company's KPIs embrace achievements in corporate social responsibility, safety, operating efficiency, capital management and organisational development at production sites.

Norilsk Nickel's Implementation Plan for the Employee Performance Management System approved by a CEO order involves:

- review and approval of documents governing employee performance assessment procedures;
- approval of individual KPIs;
- preparation of individual development plans;
- assessment of performance by team and individual KPIs.

To improve the performance of the Head Office employees, the CEO issued an order approving the Procedure for Assessing Employee Performance and the Regulation on Annual Performance Bonuses for Head Office Employees. The Procedure primarily aims to establish a link between the results of performance assessment and remuneration, development, and promotion of employees, whereas the Regulation is used to assess employee performance in the reporting period based on team and individual KPIs.

To boost employee performance across its Russian subsidiaries, the Company has developed the Procedure for Assessing Performance of the Group's Management. The Procedure prescribes that management performance be managed by establishing KPIs and assessing achievement thereof.

MANAGEMENT REMUNERATION SYSTEM

Balance of interests is the key principle behind the remuneration of the Board of Directors and Management Board members.

The remuneration paid to the directors is determined by the General Meeting of Shareholders and includes:

- base remuneration paid to the BD members;
- additional remuneration paid to the committee members and chairs;
- reimbursement of expenses incurred by the directors in discharge of their duties.

Subject to a special resolution adopted by the General Meeting of Shareholders, the Chairman of the Board of Directors may be entitled to additional remuneration and benefits.

To clearly differentiate the principles and structure of remuneration payable to non-executive and executive directors, the following items are excluded from the remuneration payable to non-executive directors:

- bonuses linked to the Company's operating results;
- stock options;
- additional benefits, including all forms of insurance other than directors' liability insurance;
- severance pay and any payments related to change of ownership;
- pension plans and schemes.

As an additional benefit, the directors are entitled to certain insurance protections, such as:

- liability insurance;
- reimbursement of losses incurred due to the election to the Board of Directors.

The total remuneration payable to the President and members of the Management Board consists of the base salary set forth in their employment contracts approved by the Board of Directors, and bonuses. Bonuses are linked to the Company's performance, including both financial metrics (EBITDA, free cash flow) and non-financial indicators (lower workplace injury rates, stakeholder involvement, etc.).

During the year, members of the Management Board received bonuses based on their annual performance and achievement of relevant KPIs.

The total remuneration paid out to the corporate governance bodies in 2016 (including salaries, bonuses, commissions, benefits and/or reimbursement of expenses, as well as any other remuneration in kind) was RUB 3,533,398,000 (USD 52,709,828)¹.

RUB 3,533 mln

The total remuneration paid out to the corporate governance bodies in 2016

¹ The total amount of estimated fees to corporate governance bodies in 2016 according to IFRS statements amounted to RUR 4.1 bn (USD 62 mln).

/ Corporate bodies / Management remuneration system

Board of Directors remuneration in 2016

Remuneration types	thousand RUB	USD
Remuneration for membership in a governance body	250,735	3,740,365
Salary	0	0
Bonus	0	0
Commissions	0	0
Benefits	0	0
Reimbursement	1,621	24,181
Other types of remuneration	0	0
Total	252,356	3,764,547

Management Board remuneration in 2016

Remuneration types	thousand RUB	USD
Remuneration for membership in a governance body	3,330	49,676
Salary	1,949,891	29,087,699
Bonus	1,327,821	19,807,906
Commissions	0	0
Benefits	0	0
Reimbursement	0	0
Other types of consideration	0	0
Total	3,281,042	48,945,281

RISK MANAGEMENT AND CONTROL BODIES

Risk management framework

Company's operations are associated with inherent risks that may unfavourably affect its strategic and operational goals, including financial results. To ensure that all risks are managed in an efficient way, we have implemented and keep improving our corporate risk management framework (CRMF).

The CRMF is at the core of our corporate governance system and was designed in accordance with Russian and international laws, including the Corporate Governance Code recommended by the Bank of Russia, and Russian and international professional risk management standards, including ISO 31000 family standards [Risk management] and COSO ERM [Enterprise Risk Management – Integrated Framework]. The Company's risk management framework is built on uniform principles embracing all business areas and management levels with a view to:

- increase the likelihood of achieving the company's goals;
- improve the resource allocation efficiency; and
- boost the Company's investment case and shareholder value.

The CRMF implementation and improvement initiatives are spearheaded by the Company's Vice-President for internal controls and risk management and its Risk Management Service.

EVOLUTION OF THE CORPORATE RISK MANAGEMENT FRAMEWORK

The Company has been introducing new risk management methodologies and integrating them with key business processes and functions. Risk management training programmes take place on a regular basis to improve employees' professional skills and competencies.

In 2016, as part of the corporate risk management framework development initiative:

- the Company adopted a Corporate Risk Management Policy, while the Company's President endorsed the new policy in a declaration of commitment;
- risk experts, whose responsibility is to coordinate risk management activities and provide knowledge-based support to risk owners, were appointed in various departments of the Head Office;
- key risks affecting the Company were identified, reported, analysed and documented along with related risk management procedures. The Management Board and the BD Audit Committee review risk-related reports on a regular basis;
- risk management regulations were developed and approved for our investment projects.

Key initiatives aimed at improving the corporate risk management framework include:

- creation of local risk management standards and guidelines for Company's units and business areas that are customised to fully fit their operations;
- integration of risk management practices into the core business processes of the Company, including strategic and operational planning and investment activities;
- phased deployment of IT systems and risk management automation tools in the Head Office, branches, and subsidiaries;
- continuing development of quantitative risk metrics and, in particular, creation of a quantitative model for key risks affecting the Company.

RISK INSURANCE

Insurance is one of our most important tools for managing risks and finances in the long-term perspective, and protecting the assets of the Company and its shareholders against any unforeseen losses related to our operations, including due to external hazards.

The Group has centralised its insurance function to consistently implement uniform policies and standards supporting a comprehensive approach to managing insurance policies and fully covering every risk at all times.

As part of our risk mitigation initiatives, we have implemented a corporate insurance programme that covers assets, equipment failures and business interruptions across the Group. Our corporate insurance policies are issued by major Russian insurers in cooperation with an international broker. This helps the Company make sure that its risks are underwritten by highly reputable international re-insurers.

The same principles of centralisation apply to our freight, construction and installation, aircraft and ship insurance arrangements. The Group, as well as its directors and officers, carry business and third-party liability insurance.

To optimise terms of coverage and better manage covered risks, we follow the best mining practices.

/ Risk management and control bodies / Risk management framework

KEY RISKS AND THEIR MITIGANTS

Risk type / Risk description

Suggestions from risk management function

Workplace injury risk

Failure to comply with the Norilsk Nickel Group's health and safety rules may result in threats to the employee's health and life, temporary suspension of operations, and property damage.

Pursuant to the Industrial Health and Safety Policy approved by the Company's Board of Directors, the Company undertakes to:

- ensure continued control over compliance with the health and safety requirements;
- improve the working conditions for employees of the Company and its contractors deployed at the Company's production facilities, including by implementing new technologies and labour saving solutions, and enhancing industrial safety at production facilities;
- provide staff with certified state-of-the-art personal protective equipment;
- carry out preventive and therapeutic interventions to reduce the potential impact of hazardous and dangerous production factors;
- regularly train and instruct employees and assess their health and safety performance, and conduct corporate workshops, including by deploying special simulator units;
- enhance methodological support for health and safety functions, including through the development and implementation of corporate health and safety standards;
- improve the risk assessment and management framework at the Group's companies and production facilities as part of the Risk Control project;
- analyse the competencies of line managers at the Group's companies and production facilities, develop health and safety training programmes and arrange relevant training sessions;
- provide training for managers under the programme to determine root causes of accidents using the best international practices ("Tree of Causes and Hazards", 5-why, etc.);
- provide information about the circumstances and causes of an accident to all employees of the Company, conduct ad hoc instruction sessions.

Price risk

Potential decrease in revenues due to lower prices for metals (nickel, copper, platinum, palladium) subject to the actual or potential changes in demand and supply on certain metal markets, global macroeconomic trends, and the financial community's interest in speculative / investment transactions in the commodity markets.

The Company reasonably accepts the risk of changes in price for key products, while continuously monitoring metal price (market) forecasts, and, should the risk materialise, the Company will consider cutting capital expenditures (revising the investment programme for projects that do not have a material impact on the Company's development strategy) as part of the budget process.

FX risk

USD depreciation against RUB, including due to changes in the Russian economy and the policy of the Bank of Russia, may adversely affect the Company's financial performance, as most of its revenues are denominated in USD, while most of its expenses are denominated in RUB.

The Company reasonably accepts the FX risk, while maintaining a balanced debt portfolio where USD-denominated borrowings prevail to ensure a natural hedge.

Compliance risk

The risk of legal liability and (or) legal sanctions, significant financial losses, suspension of production, revocation or suspension of a licence, loss of reputation, or other adverse effects arising from the Company's non-compliance with the applicable regulations, instructions, rules, standards or codes of conduct.

To manage this risk, the Company undertakes to:

- make sure that the Company complies with the applicable laws;
- defend the Company's interests during surveillance inspections or in administrative offence cases;
- use pre-trial and trial remedies to defend the Company's interests;
- include conditions defending the Company's interests in the contracts signed by the Company;
- implement anti-corruption, anti-money laundering and counter-terrorist financing initiatives;
- take actions to prevent unauthorised use of insider information and market manipulation;
- ensure timely and reliable information disclosures as required by the applicable Russian and international laws.

Risk type / Risk description	Suggestions from risk management function
<p>Technical and production risk</p> <p>Technical, production, or natural phenomena, which, once materialised, could have a negative impact on the implementation of the production programme and cause technical incidents or reimbursable damage to third parties and the environment.</p>	<p>To manage this risk, the Company undertakes to:</p> <ul style="list-style-type: none"> ● properly and safely operate its assets in line with the requirements of the technical documentation, technical rules and regulations as prescribed by the local laws across the Company's footprint; ● timely replace its fixed assets to achieve production safety targets; ● implement automated systems to control equipment's process flows; ● improve the maintenance and repair system; ● train and educate its employees both locally, on site, and centrally, through its corporate training centres; ● consistently identify and assess technical and production risks, develop and implement an organisational and technical action plan to mitigate such risks; ● engage, on an annual basis, independent surveyors to analyse the Company's exposure to disruptions in the production and logistics chain and assess related risks. <p>In 2016, key technical and production risks were insured as part of the property and business interruption (downtime) insurance programme, with emphasis laid on best risk management practices in the mining and metals industry.</p>
<p>Risks related to changes in legislation and law enforcement practices</p> <p>Adverse consequences for the Company due to changes in legislation and law enforcement practices.</p>	<p>To manage this risk, the Company undertakes to:</p> <ul style="list-style-type: none"> ● continuously monitor changes in legislation and law enforcement practices in all business areas; ● perform legal due diligence of draft regulations and amendments; ● participate in discussions of draft regulations, both publicly and as part of the expert groups.
<p>Risk of revocation of ISO 9001 and ISO 14001 certificates</p> <p>ISO 9001 and ISO 14001 certificates can be revoked in case of gross violations. Revocation would affect the competitiveness of the Company's products in international markets, product registration at exchanges, and customer and partner loyalty.</p>	<p>To manage this risk, the Company undertakes to:</p> <ul style="list-style-type: none"> ● maintain and develop the Corporate Integrated Quality and Environmental Management System; ● implement environmental monitoring and reduce man-made impact on the environment; ● do planning and provide required training for employees; ● run internal audits in the Head Office's business units, branches and Russian subsidiaries subject to certification; ● prepare for external surveillance / recertification audits that involve the Company's representatives; ● implement an action plan for the Corporate Integrated Quality and Environmental Management System to switch to ISO 9001:2015 и ISO 14001:2015.
<p>Risk of escalating social tensions in the regions of operations and strained social and labour relations among the workforce</p> <p>Escalating tensions among the workforce due to the deterioration of social and economic conditions in the Company's regions of operation.</p>	<p>To manage this risk, the Company undertakes to:</p> <ul style="list-style-type: none"> ● strictly abide by the collective bargaining agreements made between the Group's companies and employees; ● actively interact with regional and local authorities, and civil society institutions; ● fulfil its social obligations under public-private partnership agreements; ● hold public meetings to facilitate constructive dialogue between the private sector, public authorities and local communities; ● implement the World of New Opportunities charity programme aimed at supporting and promoting regional public initiatives; ● implement the Norilsk Upgrade project to introduce innovative solutions for sustainable social and economic development of the region; ● implement monitoring across the Group's operations; ● implement programmes to retain released employees and retrain them for other jobs at the Company's production facilities; ● conduct opinion polls among Norilsk's communities to learn more about their living standards, employment, migration trends and general social sentiment, and identify major challenges; ● implement social projects and programmes aimed at supporting employees and their families, as well as the Company's former employees.

/ Risk management and control bodies /

Control bodies

INTERNAL CONTROL FRAMEWORK

The Company has an internal control system in place intended to promote the achievement of the Company's goals and enhance investor confidence in its business and corporate bodies. The internal control system is aimed at improving the effectiveness and efficiency of activities, keeping reliable and accurate financial and management accounts, ensuring compliance with the requirements of applicable Russian laws and the Company's by-laws.

The Company has the Internal Control Policy in place adopted by resolution of the Board of Directors on 25 August 2016 (Minutes of the Board of Directors No. GMK/32-pr-sd). In addition, internal control requirements, procedures, and processes are also covered by the procedure for "Internal Control Processes at MMC Norilsk Nickel", as well as by business unit regulations and other internal guidelines.

All internal control processes, principles, mechanisms, means, and procedures are structured into a system of elements:

- control environment;
- assessment of risks to business processes;
- control procedures;
- information and communications;
- monitoring of the internal control systems.

Entities that form the internal control system are structured on a number of levels, which include the Company and subsidiaries' corporate bodies, business units and employees as well as dedicated control bodies:

- Audit Committee,
- Internal Audit Department,
- Audit Commission,
- Internal Control Department,
- Financial Control Service,
- Risk Management Service.

In September 2016, the Company established an Internal Control and Risk Management Unit (Order of the President No. GMK/100-p). The unit included the Internal Control Department, Risk Management Service, and Financial Control Service.

Internal Audit Department

The Internal Audit Department was established to assist the Board of Directors and executive bodies in enhancing the Company's management efficiency and improving its financial and economic operations through a systematic and consistent approach to the analysis and evaluation of risk management and internal controls as tools to provide reasonable assurance that the Company will achieve its goals.

The Internal Audit Department conducts unbiased and independent audits, assessing how effective the internal control system and the risk management system are. Based on the audits, the Department prepares reports and proposals for the management on how to improve internal control and risk mitigation procedures, and also monitors the development and implementation of action plans to eliminate violations.

In order to ensure independence and objectivity, the Internal Audit Department functionally reports to the Board of Directors through the Audit Committee and has an administrative reporting line to the Company's President. The Audit Committee regularly reviews the performance of the Internal Audit Department.

In 2016, the Internal Audit Department remained focused on:

- accounts and repairs of process equipment;
- operations of utility and motor vehicles;
- construction and repairs;
- procurement;
- investment project management;
- compliance with health, safety and environment requirements.

In 2016, comprehensive audits were conducted in subsidiaries of the support complex, transport and logistics complex, and non-industrial assets. Based on these audits, the management developed action plans which provide for a range of activities aimed at improving internal control procedures and mitigating risks.

Audit Commission

The Audit Commission is a corporate body which monitors the financial and business operations of the Company. The Commission audits the Company's financial and business operations on an annual basis and at any time as decided by the Commission, resolutions of the General Meeting of Shareholders and the Board of Directors or as requested by shareholders who hold collectively at least 10% of the Company's voting shares. Following the review of financial and business results, the Audit Commission issues an opinion. Business operations were last audited in April–May 2016.

The Audit Commission works in the shareholders' interests and reports to the General Meeting of Shareholders, which elects members of the Audit Commission until the next Annual General Meeting of Shareholders. The Audit Commission is independent from the the Company's executive officers and its members do not hold positions in the Company's management bodies.

Remuneration payable to members of the Audit Commission was approved by the Annual General Meeting of Shareholders on 10 June 2016. Members of the Audit Commission who are employed by the Company are remunerated throughout the year as per their job description and employment terms.

Internal Control Department

The Internal Control Department aims to create an efficient internal control framework that represents a combination of organisational processes, policies and guidelines, control procedures, corporate culture principles and actions that the internal control entities perform to provide reasonable assurance that the Company will achieve its targets; the Department's functions include:

- developing and improving an efficient internal control framework;
- ensuring a consistent approach to the design, operation and development of the internal control framework;
- detecting and preventing any waste, misuse or misappropriation of funds or assets of the Company and its subsidiaries, wrongdoings and theft;
- ensuring accuracy of metrics and measurement standards for the control and accounting of metal bearing products;
- arranging and implementing internal controls so as to combat illegal activities, such as money laundering and terrorism financing;
- managing the Corporate Trust Service operations.

Financial Control Service

The Financial Control Service audits the financial and business operations of the Company, its subsidiaries and affiliates to report and issue recommendations to the President and directors of the Company. The head of the Financial Control Service is appointed by a resolution adopted by the Company's Board of Directors.

Corruption control

The Company complies with Russian and international anti-corruption laws. In its interaction with government officials, the Company, as well as its employees and corporate bodies, comply with the applicable laws (including anti-corruption laws), thus fostering the Company's reputation and building up trust towards the Company from its shareholders, investors, business partners and other stakeholders.

As part of its effective anti-corruption combat, the Company has developed and approved the following anti-corruption regulations:

- Code of Business Ethics;
- Directors' Code of Corporate Conduct and Business Ethics;
- Anti-Corruption Policy;
- Regulation on the Product Procurement Procedure for MMC Norilsk Nickel's Enterprises;
- Standard anti-corruption agreement – appendix to the employment contract;

In the reporting year, the Audit Commission consisted of five people as prescribed by the resolution of the Annual General Meeting of Shareholders dated 10 June 2016

Nº	Name	Primary employment
1.	Vladimir Shilkov	Chief Investment Officer at CIS Investment Advisers, Deputy Project Manager of the Financial Control Service at MMC Norilsk Nickel
2.	Anna Masalova	Chief Financial Officer, Moscow–McDonalds CJSC
3.	Georgy Svanidze	Head of Financial Department, member of the Management Board at Interros Holding Company
4.	Elena Yanevitch	Chief Executive Officer, Interpromleasing
5.	Artur Arustamov	Director of Price Control and Commercial Operations Department, RUSAL Global Management B. V.

Remuneration of the Audit Commission members in 2016

Remuneration types	thousand RUB	USD
Remuneration for the membership in a control body	6,300	93,981
Salary	4,445	66,309
Bonus	11,445	170,731
Commissions	0	0
Benefits	0	0
Compensation	0	0
Other types of remuneration	0	0
Total	22,190	331,022

- Regulation on Information Security;
- Regulation on the Prevention and Management of Conflicts of Interest;
- Regulation on Business Gifts;
- Procedure for anti-corruption due diligence on internal documents at the Head Office of MMC Norilsk Nickel.

Having joined the Anti-Corruption Charter of the Russian Business, the Company introduces dedicated anti-corruption programmes based on the Charter and set forth in the Company's Anti-Corruption Policy. In January 2016, the Company confirmed compliance with the Charter and secured its position on the Charter's Register.

The Company joined the Anti-Corruption Charter of the Russian Business.

In November 2016, the Company joined the United Nations Global Compact, which aims to promote recognition and practical application of ten basic principles of human rights, labour, environment and anti-corruption by businesses worldwide.

The Company's personnel receive ongoing training on anti-corruption matters. In August 2016, all personnel at the Head Office of the Company and personnel in managing and administrative positions at the Company's branches, representative office, and Russian subsidiaries were trained and tested in "Preventing Corruption" distance learning course. An important element of the Company's undertakings are corruption prevention

/ Risk management and control bodies / [Control bodies](#)

measures that are aimed at making employees clearly aware of the possible consequences and the “inevitability of penalty” not only for those who engage in corruption, but also for those who become aware of corruption and do not report it. Starting in 2015, all of the Company employees sign an agreement setting out their obligations in the anti-corruption area. All of the Company’s employees are familiarised with the corporate Anti-Corruption Policy and related regulations. In December 2016, the Company held an anonymous survey among the employees of its Head Office in order to get their opinions on the extent of corruption in the Company and the efficiency of its anti-corruption efforts.

The Company ensures functioning of the Preventing and Fighting Corruption page on the corporate website containing information on anti-corruption regulations adopted, measures taken, preventive procedures introduced, legal training sessions organised and law-abidance promotion efforts taken.

Regulating the conflict of interest

One of the key anti-corruption measures is timely prevention of possible conflicts of interest and management of those. Procedures for assessing and settling conflicts of interest are set forth in the Regulation on the Prevention and Management of Conflicts of Interest at MMC Norilsk Nickel, approved by the Order of the Company’s President in December 2015. As part of the above-mentioned Regulation, the Company has approved the Standard Declaration form for reporting conflicts of interest, to be filled in by candidates applying for vacant positions or by the Company’s employees whenever required.

On top of that, the Company has undertaken measures aimed at preventing potential conflict of interest involving corporate bodies and key managers.

In December 2016, the Company approved the Report Form on relatives and family members to be submitted annually by members of corporate bodies.

Alongside with the measures listed above, the Regulation on the Prevention and Management of Conflicts of Interest at MMC Norilsk Nickel extends to all employees of the Company. The Regulation sets forth key principles aimed at meeting the balance of interests between the Company and its employees. These include obligation of each employee to disclose a conflict of interest and protection against liability in relation to the reported conflict. The Company undertakes measures aimed at identifying related-party transactions.

All measures combined, undertaken in order to identify and prevent conflicts of interest, minimise the probability of negative consequences for the Company.

Corporate trust service

In February 2010, the Company launched the Corporate Trust Service. It helps the Company’s management promptly respond to reports of abuses, embezzlement and other violations. Shareholders and other stakeholders have an opportunity to report any actions that will or might result in financial damages or be detrimental to the business reputation of the Company. The key principles underlying the Corporate Trust Service include guaranteed confidentiality for whistleblowers and timely and unbiased consideration of all reports.

To serve the same purpose, the Company has arranged for a 24/7 hotline: +7 800 700-1941, +7 800 700-1945 ☎ or by email: skd@nornik.ru

Information on received and processed reports is disclosed annually by the Company as part of its CSR report.

Improving procurement¹

The Company undertakes counterparty due diligence to confirm their reliability, solvency and financial stability; The Company reinforces anti-corruption principles by including an anti-corruption clause in its contracts with counterparties. Since 2004, the Company has moved its procurement to transparent procurement procedures. In 2014, the Company introduced a Regulation on general principles of procurement procedures for all MMC Norilsk Nickel’s enterprises; The Company runs Tender and Investment Committees whose main focus is to make the Group’s procurement and investment more efficient and transparent.

Insider information

The company implements actions to prevent unauthorised use of insider information. In accordance with Federal Law No. 224-FZ of 27 July 2010 “On Prevention of Unlawful Use of Inside Information and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation”, as well as the Market Abuse Regulation of the European Union No. 596/2014 of 16 April 2014, the Company keeps a list of insiders, keeps track of transactions and constituent documents, as well as events, in order to control implementation of measures as provided in Russian and international legislation, which includes disclosure of insider information. The Company also undertakes other measures aimed at preventing unlawful use of insider information.

Integrated safety system of the Company

In 2016, MMC Norilsk Nickel’s corporate security operations focused on regular updates and the implementation of a comprehensive security system, which drew heavily on the ongoing analysis of the full range of the Company’s modern-day challenges and threats in a rapidly changing operating environment.

¹ Detailed information on procurement by the Company is disclosed in the Procurement section of this Annual Report.

The ongoing implementation of the MBO (Management by Objectives) principles in the economic, corporate, information and physical security systems has enabled the Company to promptly and adequately respond to the production and financial risks, clamp down on embezzlement, implement initiatives to counter illicit trafficking of precious metals and metal bearing materials, and efficiently prevent in-house corruption.

In an effort to take public-private partnership in the field of security to a new level of quality, cooperation was established with government law-enforcement authorities, also in the Company's regions of operations. The Company pays special attention to complying with the federal anti-terrorism laws and enhancing security of the Company's strategic power and transportation facilities. In 2016, the close cooperation with law enforcement authorities helped the Company protect these facilities from any potential unlawful intrusion.

The Company ensures 100% safety and confidentiality of the employee and counterparty personal data through an ongoing upgrade of the dedicated protection systems. Steps are taken to integrate information security processes with other group-wide business processes and novel IT solutions. Measures undertaken in 2016 ensures a reliable protection of the Company's IT infrastructure. MMC Norilsk Nickel receive an outstanding award at InfoSecurity Russia 2016: Best Industrial IT Security.

The Company has further fostered its international activity in the field of industry-specific business security. As the chair of the Security Committee of the International Platinum Group Metals Association, the Company's representative works together with the United Nations Interregional Crime and Justice Research Institute (UNICRI) to prepare and implement practical recommendations in order to strengthen public-private partnerships aimed at fighting illicit transnational trafficking of precious metals. These initiatives received the support of world's major metal producers.

The Institute for Modern Security Challenges, the Company's subsidiary, has been developing new corporate tools to protect the Company's legitimate interests focusing on the analysis of best international practices, introduction of acknowledged standards and practices of secure development of mining companies, expert reviews and preparation of analytical materials. Their practical implementation is aimed at optimising the Company's security costs and more efficient process management.

infosecurity

MMC Norilsk Nickel receive an outstanding award at InfoSecurity Russia 2016: Best Industrial IT Security.



EXTERNAL AUDIT

The external auditor of both RAS and IFRS financial accounts for MMC Norilsk Nickel is endorsed by the General Meeting of Shareholders based on the recommendation by the Board of Directors following a tendering process endorsed by the Audit Committee under the Board of Directors.

Selection of the auditor for both RAS and IFRS financial accounts is done in line with the Procedure of Auditor Selection, as endorsed by the Company. A tender commission is established for the purpose of selecting the auditor. The commission produces lists of auditors who perform best in the Russian market of audit services. The auditor whose conditions of RAS and IFRS audit are recognised to be the best following the Procedure, is then acknowledged as the winner of the tender by the Audit Committee and is recommended to the Board of Directors of the Company.

In March 2016, the Audit Committee under the Board of Directors considered the tender winner and recommended the firm to the Board of Directors. In June 2016, the General Meeting of Shareholders of MMC Norilsk Nickel, following the recommendation of the Board of Directors of the Company, approved JSC KPMG as the Company's auditor for both RAS and IFRS 2016 accounts.

The auditor's fee, as endorsed by the Board of Directors, stood at USD 2.2 mln, including overhead charges and VAT. The share of non-audit services rendered to the Company stood at 15% of the total KPMG fee for 2016.

In line with the audit contract, the auditor delivered the following:

- review of the interim abbreviated consolidated financial accounts as at 30 June 2016;
- audit of IFRS consolidated financial accounts for 2016;
- audit of RAS annual accounting/financial statement for 2016.



For more information on risk management see in the quarterly reports of the Company in section 2.4 "The risks connected with purchase of placed securities" located on website: <http://www.nornik.ru/en/investor-relations/information-disclosure/quarterly-reports-of-regular-securities-issuer>

FOCUS ON TIER I ASSETS

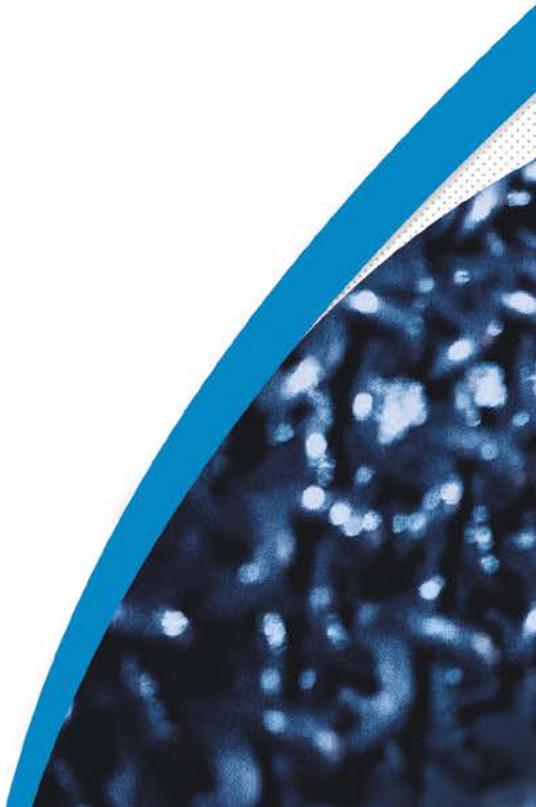
FOR HIGHER SHAREHOLDER RETURNS



04

INFORMATION FOR SHAREHOLDERS

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USD 7.8
dividends per share for 2016

AUTHORISED CAPITAL

As at 31 December 2016, the authorised capital of MMC Norilsk Nickel comprised 158,245,476 ordinary shares with a par value of RUB 1 each.

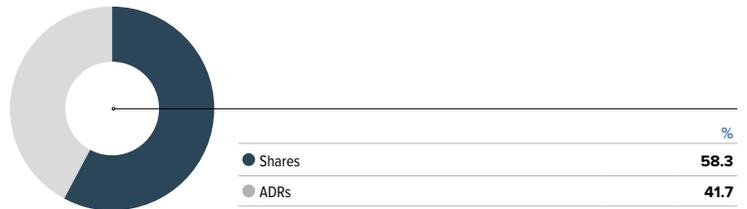
As at 31 December 2016, there were 40,169 persons registered in the shareholder register: 40,141 individuals and 28 legal entities, including 3 nominal holders.

MMC Norilsk Nickel's registrar is Independent Registrar Company. The registrar provides a full scope of services to the Company's shareholders. Shareholders (both individuals and legal entities) have access to the Shareholder's Personal Account, where they can view the number and price of their shares, dividends accrued and paid, upcoming general meetings of shareholders, and useful links and contacts; the account also lets them streamline shareholder register procedures by filling document forms in advance. The access to the personal account can be obtained at a branch of Independent Registrar Company¹.

MMC Norilsk Nickel's share capital structure as at 31 December 2016



MMC Norilsk Nickel's shares and ADRs split as at 31 December 2016



Holders of MMC Norilsk Nickel's shares and ADRs

Holders	Share in the authorised capital, %	
	31 December 2016	31 December 2015
Olderferey Holdings Ltd ²	30.4	30.4
UC Rusal Plc ²	27.8	27.8
Crispian Investments Ltd	4.2	5.5
Other	37.6	36.3

¹ For more details on the registrar, please see the Contacts section.

² Indirect control via controlled entities.

SECURITIES

The Company's securities are the most liquid instruments on domestic and foreign equity markets.



For more details on trading in the Company's shares, please see the website: <http://www.nornik.ru/en/investor-relations/shareholders/share-monitor>

ORDINARY SHARES

The Company's ordinary shares have been trading on Russian platforms since 2001. They are included in Moscow Exchange's First Level quotation list and rank among liquid instruments in the Russian equity market.

Ticker symbols

Trading platform	Financial instrument global identifier	Reuters instrument code
Moscow Exchange / Saint-Petersburg Exchange	GMKN RN GMKN RX	GMKN.MM GMKN.RTS

AMERICAN DEPOSITORY RECEIPTS (ADRS)

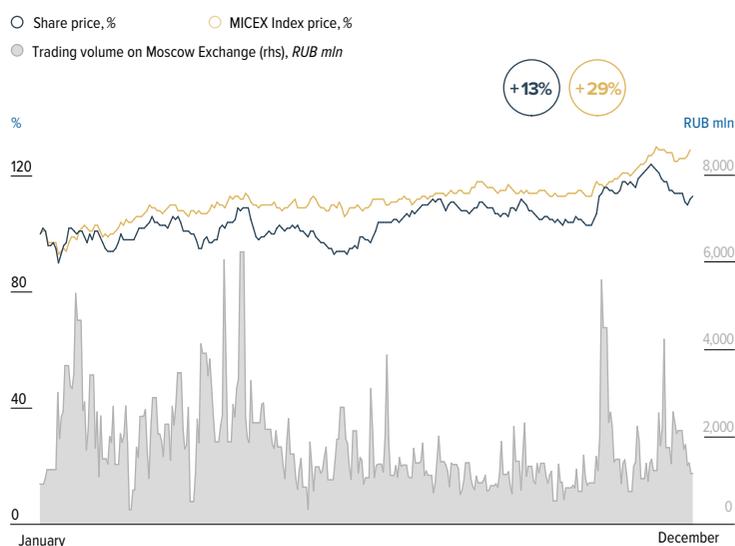
In 2001, MMC Norilsk Nickel issued ADRs for its shares, with the ADRs now trading outside of Russia. Currently, shares are convertible into ADRs at a ratio of 1:10. Depository services for ADR transactions are rendered by the Bank of New York Mellon, while custody services are provided by VTB Bank. ADRs are traded on the US OTC market, and in the electronic trading system of OTC markets of the London and Berlin stock exchanges.

As at 31 December 2016, the total number of ADRs issued against MMC Norilsk Nickel's shares was 659,481,150, accounting for 41.67% of the authorised capital. The number of ADRs traded on stock exchanges is not constant, and depository receipt holders may convert their securities into shares and vice versa.

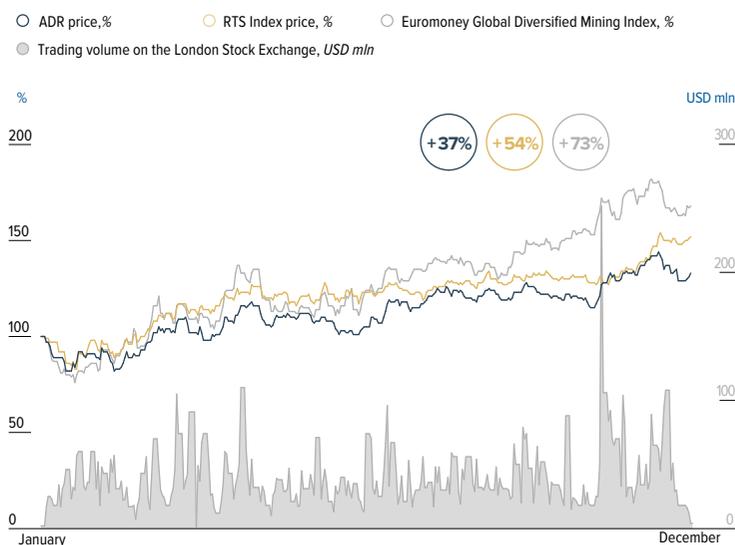
ADR ticker symbols

Trading platform	Financial instrument global identifier	Reuters instrument code
IOB, London Stock Exchange (London, UK)	MNOD LI	NKELYq.L
OTC Market (New York, USA)	NILSY US NILSY UV	NILSY.PK
Frankfurt Stock Exchange (Frankfurt, Germany)	NNIA GR NNIA GF	NKELY.F

Share and MICEX Index price and trading volume

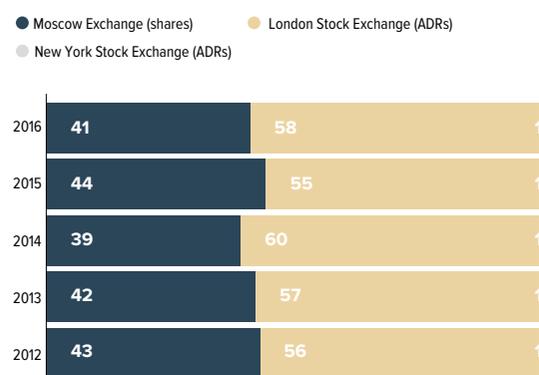


ADR and global index price and trading volume



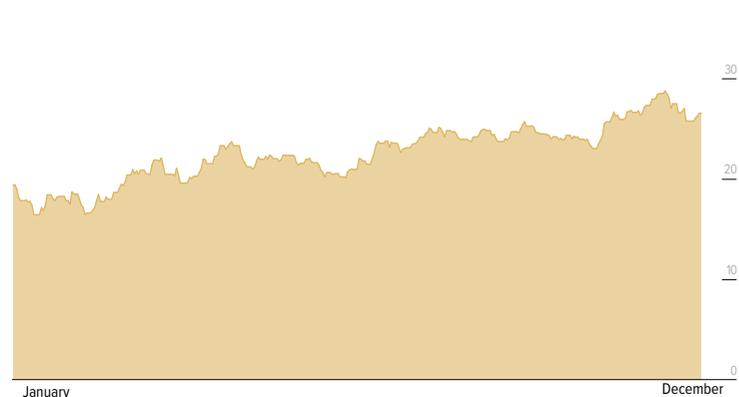
/ Securities /

Share and ADR trading volume by exchange, %



Source: Bloomberg

Average monthly market capitalisation in 2016, USD bn



Source: Bloomberg

Share price and trading volume on Moscow Exchange

Date	Share price, RUB			Volume, shares	Market cap at the end of period, RUB bn
	Min	Max	End of period		
2012	4,610	5,939	5,606	89,275,016	1,069
2013	4,106	6,089	5,400	76,120,053	855
2014	5,140	10,805	8,080	75,766,353	1,279
2015	8,590	12,106	9,150	59,126,636	1,448
2016	8,050	11,070	10,122	49,045,671	1,602
Q1	8,050	9,494	8,950	15,264,426	1,377
Q2	8,285	9,750	8,540	14,413,575	1,351
Q3	8,496	9,989	9,812	9,285,079	1,553
Q4	9,157	11,070	10,122	10,082,591	1,602

Source: Bloomberg

ADR price and trading volume on the OTC market of the London Stock Exchange

Date	ADR price, USD			Volume, ADR	Market cap at the end of period, USD mln
	Min	Max	End of period		
2012	14.4	20.5	18.4	1,168,251,876	35,133
2013	12.4	20.3	16.6	1,022,238,584	26,300
2014	14.2	21.5	14.2	1,166,038,332	22,503
2015	12.4	21.6	12.7	748,638,706	20,042
2016	10.4	18.2	16.8	701,221,106	26,569
Q1	10.4	14.0	12.9	195,655,725	19,148
Q2	12.4	15.0	13.3	155,963,196	23,135
Q3	13.3	16.3	16.0	174,451,054	25,288
Q4	14.6	18.2	16.8	178,151,131	26,569

Source: Bloomberg

BONDS

In 2016, three leading international rating agencies confirmed their credit ratings for the Company. Moreover, MMC Norilsk Nickel is one of the five Russian companies that boast two investment grade credit ratings. The Moody's rating is limited by the sovereign rating.¹

In February 2016, MMC Norilsk Nickel issued BO-05 series exchange-traded bonds for a total amount of RUB 15 bn. The bonds are due in 2026 and callable in 2021.

In 2016, there were three outstanding Eurobond issues by MMC Norilsk Nickel for a total amount of USD 2,750 mln with maturities in 2018, 2020, and 2022.

CREDIT RATING / OUTLOOK**Fitch Ratings****BBB-**/StableDate of last
change / upgrade of rating

19.10.2016

Standard & Poor's**BBB-**/Stable

25.10.2016

Moody's**Ba1**/Negative

26.04.2016

Rouble bonds

Instrument	Exchange-traded bonds, BO-05
Issuer	MMC Norilsk Nickel
ISIN	RU000A0JW5C7
Offering date	19 February 2016
Maturity date	06 February 2026
Offering amount	RUB 15 bn
Coupon rate	11.60%
Coupon period	Each 182 days starting from the offering date

Eurobonds

Instrument	Eurobonds 2018 (LPN)	Eurobonds 2020 (LPN)	Eurobonds 2022 (LPN)
Issuer	MMC Finance Ltd	MMC Finance Ltd	MMC Finance Ltd
Offering amount	USD 750 mln	USD 1,000 mln	USD 1,000 mln
Coupon rate	4.375%	5.55%	6.625%
Offering date	30 April 2013	28 October 2013	14 October 2015
Maturity date	30 April 2018	28 October 2020	14 October 2022
Coupon dates	30 October / 30 April	28 October / 28 April	14 October / 14 April
Issue rating	BBB-/Ba1/BBB-	BBB-/Ba1/BBB-	BBB-/Ba1/BBB-

¹ Russia's sovereign rating: BB+ by Standard & Poor's, Ba1 by Moody's, BBB- by Fitch Ratings.

DIVIDENDS

DIVIDEND POLICY

MMC Norilsk Nickel's Dividend Policy aims to balance the interests of the Company and its shareholders, enhance the Company's investment case and market capitalisation, and ensure respect of shareholder rights.

The decision to pay dividends is made by the General Meeting of Shareholders based on recommendations of the Board of Directors. Under the Company's dividend policy, in determining the recommended dividend amount, the Board of Directors seeks to make sure that annual dividends on the Company's shares account for at least 30% of the Group's consolidated EBITDA.

DIVIDEND REPORT

Dividends are paid to individuals/entities whose rights to shares are recorded in the shareholder register by Independent Registrar Company, MMC Norilsk Nickel's registrar.

Individuals/entities whose rights to shares are recorded by a nominee shareholder are paid dividends via their nominee shareholder.

In accordance with Clause 9, Article 42 of Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, any person who has not received the declared dividends due to the fact that their accurate address or banking details where not available to the company or the registrar as required, or due to any other delays on the part of the creditor, may request payment of such dividends (unpaid dividends) during the period of three years from the date of the resolution to pay the same.

Dividends paid for 9M 2016

USD **1.2** bn

KEY PRINCIPLES OF THE COMPANY'S DIVIDEND POLICY:

- **transparency:** a clear mechanism of dividend calculation and payout;
- **balance:** dividend payouts to shareholders along with long-term business development and capitalisation growth for the Company;
- When calculating dividends, MMC Norilsk Nickel accounts for the cyclical nature of the metals market and for the need to maintain a high level of creditworthiness. Thus, the amount of dividends may change depending on the Company's operating profit and leverage.

Dividends paid¹

Period	RUB mln	USD mln
2016	86,712	1,232
2015	154,227	2,859
2014	159,914	3,281
2013	98,354	2,989
2012	31,014	960

Dividend history²

Period	Declared dividends ³		Dividend per share/ADR ³	
	RUB mln	USD mln	RUB	USD
Total for 2016	140,894	2,339	890	14.78
FY 2016 ⁴	70,593	1,239	446	7.83
9M 2016	70,301	1,100	444	6.95
Total for 2015	135,642	2,148	857	13.57
FY 2015	36,419	548	230	3.46
9M 2015	50,947	800	322	5.06
6M 2015	48,276	800	305	5.06
Total for 2014	226,668	4,798	1,432	30.32
FY 2014	106,031	2,018	670	12.75
9M 2014	120,637	2,780	762	17.57
Total for 2013	74,246	2,200	469	13.90
FY 2013	39,321	1,102	248	6.96
9M 2013	34,925	1,098	221	6.94
Total for 2012	64,430	2,008	401	12.69

¹ Dividends paid during the above periods, excluding treasury shares.

² For dividend history covering 2011 and earlier periods, please see the website.

³ The discrepancy with the IFRS statements is due to the indicator being calculated at the official Bank of Russia exchange rate on the date of the Board of Directors' meeting.

⁴ On 28 April 2017, MMC Norilsk Nickel's Board of Directors recommended the General Meeting of Shareholders to approve dividends for FY 2016.

TAXATION

Income from securities is taxable pursuant to the applicable tax laws of the Russian Federation¹.

Reduced tax rates or exemptions may apply to individuals and foreign entities who are not tax residents of Russia pursuant to international double tax treaties.

Starting from 1 January 2017, in order to apply for tax benefits under international double tax treaties, foreign organisations must confirm their permanent residence in a state which has a double tax treaty signed with Russia, and also provide the income paying tax agent with a document confirming the right of the organisation to receive such income (Clause 1, Article 312 of the Russian Tax Code).

Should the organisation fail to provide such confirmation by the date of the payout, the Russian tax agent shall withhold the tax at the standard rates stipulated by Clauses 2 and 3, Article 284 of the Russian Tax Code.

DIVIDEND TAX FORMULA²

$$AT = P \cdot TR \cdot (D_1 - D_2)$$

AT – amount of tax to be withheld from the income of the recipient of dividends;

P – proportion of the dividend amount payable to one recipient to the total dividend amount to be distributed;

TR – tax rate for Russian entities (0% or 13%);

D₁ – dividend amount to be distributed among all recipients;

D₂ – dividend amount³ received by the entity paying dividends, provided that previously these amounts were not included in the taxable income.

Tax treatment of income from securities

Item	Income from securities transactions, %	Interest income on securities, %	Dividend income on securities, %
Individuals			
Residents	13	13	13
Non-residents	30 ⁴	30	15
Legal entities			
Russian companies	20 ⁵	20	13 ⁶
Non-resident companies	20	20	15

¹ Chapter 23 (Personal Income Tax) and Chapter 25 (Corporate Income Tax) of the Russian Tax Code.

² The formula is not applicable to dividends paid to foreign entities and/or individuals who are not tax residents of Russia.

³ Excluding the dividend amount eligible for a zero tax rate pursuant to Subclause 1, Clause 3, Article 284 of the Russian Tax Code.

⁴ If shares or other securities are sold in Russia.

⁵ Or 0%, if shares (interests) of Russian entities acquired on or after 1 January 2011 are sold, provided that as at the date of their sale the shares (interests) have been owned for over five years and subject to one of the conditions stipulated by Clause 2, Article 284.2 of the Russian Tax Code.

⁶ Or 0%, if as at the date of the dividend payout resolution a Russian entity has been owning an interest of 50% (and more) in the authorised capital of the entity paying dividends, for 365 days (and more).

SHAREHOLDER RIGHTS

All shareholders, including minority and institutional shareholders, enjoy equal rights and treatment in their relations with the Company, including the rights to:

- participate in General Meetings of Shareholders and vote on all items within its competence;
- receive dividends should the General Meeting of Shareholders pass the relevant resolution;
- receive part of the Company's property in case of its liquidation;
- have access to information about the Company's operations.

The Company has an approved Regulation on the General Meeting of Shareholders in place that sets forth procedures to convene, prepare and conduct its general meetings¹.

The Annual General Meeting of Shareholders is held on an annual basis not earlier than three months before and not later than six months after the end of the financial year. General meetings other than Annual General Meetings of Shareholders are defined as Extraordinary General Meetings of Shareholders and are held as per resolution of the Board of Directors at their discretion or at the request of the Audit Commission, the Company's auditor, or shareholders who own at least 10% of the Company's voting shares as at the date of the request.

The notice of a General Meeting of Shareholders is published in the Rossiyskaya Gazeta newspaper and the Taimyr newspaper and posted on the Company's website (<http://www.nornik.ru>) not later than 30 days prior to the date of the general meeting. If a general meeting is conducted in the form of absentee voting (by ballot), the notice is given in the above mentioned newspapers at least 30 days prior to the deadline set for the collection of ballot sheets.

Holders of MMC Norilsk Nickel's shares who are registered in the shareholder register receive a ballot from the Company and are entitled to exercise their voting right by sending the ballot sheet via mail or by attending the General Meeting of Shareholders (in person or by proxy).

Holders of MMC Norilsk Nickel's shares who are clients of nominal holders may also participate in the General Meeting of Shareholders by instructing the nominal holders in accordance with the Russian securities law.

ADR holders do not receive ballot sheets directly from the Company. According to the depository agreement, the Company notifies the depository, which in turn in the shortest possible time, and provided it is not prohibited by the Russian law, notifies ADR holders about the general meeting and encloses voting materials and a document describing the voting procedure for ADR holders. To exercise their voting rights, ADR holders instruct the depository accordingly.

A General Meeting of Shareholders shall be considered properly convened (having a quorum) if the shareholders who own in aggregate more than 50% of the votes granted by the voting shares of the Company are present at the meeting.

Shareholders owning at least 2% of the Company's voting shares may propose items to be included in the agenda of Annual General Meetings of Shareholders, and may put forward candidates for election to the Board of Directors and Audit Commission of the Company as and when prescribed by the Federal Law and the Company's Charter.

Voting at the General Meeting of Shareholders is conducted in accordance with the "one share, one vote" rule, unless otherwise provided for in the Federal Law. Members of the Company's Board of Directors are elected through cumulative voting, i.e. the number of votes held by each shareholder is multiplied by the number of persons to be elected to the Board of Directors.

¹ For more details on the Regulation on the General Meeting of Shareholders, please see the Investor Relations section on the Company's corporate website

TRANSPARENCY

The key disclosure principles of the Company are regularity and timeliness of providing information, its availability for the majority of shareholders and other stakeholders, as well as reliability and completeness of information while maintaining a reasonable balance between transparent operations and commercial interests of the Company.

The Company's disclosure procedures comply with the Russian law, regulations of the UK Financial Services Authority (FSA), and all relevant rules of the Moscow and London stock exchanges. MMC Norilsk Nickel also seeks to improve transparency by releasing additional information in excess of that required by the law. The Company discloses information to shareholders and investors through the following channels: corporate website, annual report, CSR report, presentations, press releases, statements on material facts, disclosure feeds, and RNS. The Company makes a point of simultaneously disclosing material information to both domestic and foreign markets.

The Company quarterly disclosures include operating indicators, the issuer's quarterly reports, RAS financial (accounting) statements, and affiliates lists. IFRS statements are disclosed on a semi-annual basis. The IFRS disclosures are followed by conference calls and webcasts of the Company's senior management with analysts and investors for the purpose of providing the market with the required information and comments. In addition, the Company makes extensive use of all communication tools available, including participation of senior managers in conferences, speeches, presentations, Strategy Days, and production site visits for investors¹.

In 2016 the Company's IR team held over

300

meetings with investors

The Company maintains an ongoing dialogue with both existing shareholders and potential investors. In 2016, investor community and shareholder relations were the focus of continued improvement to enhance transparency. As part of these efforts, the Company' IR team held over 300 meetings with investors and participated in over 20 investors conferences.

All material information, including presentations, reports, press releases, statements on material facts, etc. are also available on the Company's corporate website (<http://www.nornik.ru/>). The corporate website offers prompt updates for investors and additional means of communication to reach out to all stakeholders.

The Company's 2015 Annual Report won 14 awards and diplomas at prestigious Russian and foreign contests and ratings, including those hosted by the Moscow Exchange, Expert RA, Report Watch, Corporate & Financial Awards, LACP, and ARC.



¹ For more details on the events, please see the IR Calendar on the Company's website: <http://www.nornik.ru/en/investor-relations/kalendar1>