

CORPORATE GOVERNANCE FRAMEWORK

Corporate governance principles

Nornickel's corporate governance system is aimed at protecting the interests of the Company's shareholders, ensuring efficient and transparent operations of the Board of Directors and senior management, and building relationships with investors, employees, and other stakeholders.

In this domain, Nornickel is governed by the provisions of the Russian laws, recommendations of the Corporate Governance Code and information letters of the Bank of Russia, as well as the listing rules of the Moscow Exchange.

The key principles of corporate governance are reflected in Nornickel's Articles of Association, regulations on governance bodies and committees, Anti-Corruption Policy and other by-laws¹.

Our key corporate governance principles

<p>1</p> <p>Equitable and fair treatment of every shareholder</p>	<p>4</p> <p>Sound, bona fide and efficient management of the Company's day-to-day operations by executive bodies accountable to the Board of Directors and the General Meeting of Shareholders</p>	<p>6</p> <p>Strong business ethics</p>
<p>2</p> <p>Support for the shareholders to let them exercise their rights and lawful interests in the most reasonable and convenient manner</p>	<p>5</p> <p>Strategic management by the Board of Directors, its efficient control over executive bodies, and oversight of the risk management and internal control framework</p>	<p>7</p> <p>Zero tolerance to corruption</p>
<p>3</p> <p>Professionalism and leadership of the Board of Directors, and involvement of independent directors in governance</p>		<p>8</p> <p>Commitment to sustainability principles</p>
		<p>9</p> <p>Robust risk management and internal controls</p>
		<p>10</p> <p>Full, transparent, reliable and timely disclosure</p>

¹ The full versions of the documents are available on the [Company's website](#).

Share capital structure

As at the end of 2023, the authorised capital of Nornickel was made up of 152,863,397 ordinary shares with an aggregate market value of RUB 2,472 bn.

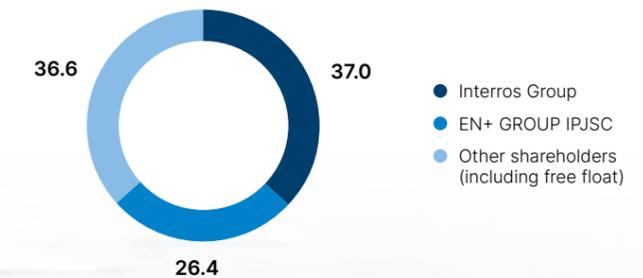
The Company's shares have been trading on the Russian market since 2001. Since 2014, the shares have been on the First Level quotation list of the Moscow Exchange (ticker: [GMKN](#)).

American depository receipts (ADRs) were also issued in 2001 and traded on the LSE OTC market (ticker: MNOD) and over the counter in the US (ticker: NILSY). In March 2022, trading in ADRs of Russian issuers was suspended on international exchanges, and on 23 May 2023, the ADRs were delisted from the London Stock Exchange.

152,863,397
ordinary shares
Nornickel's authorised capital as at the end of 2023

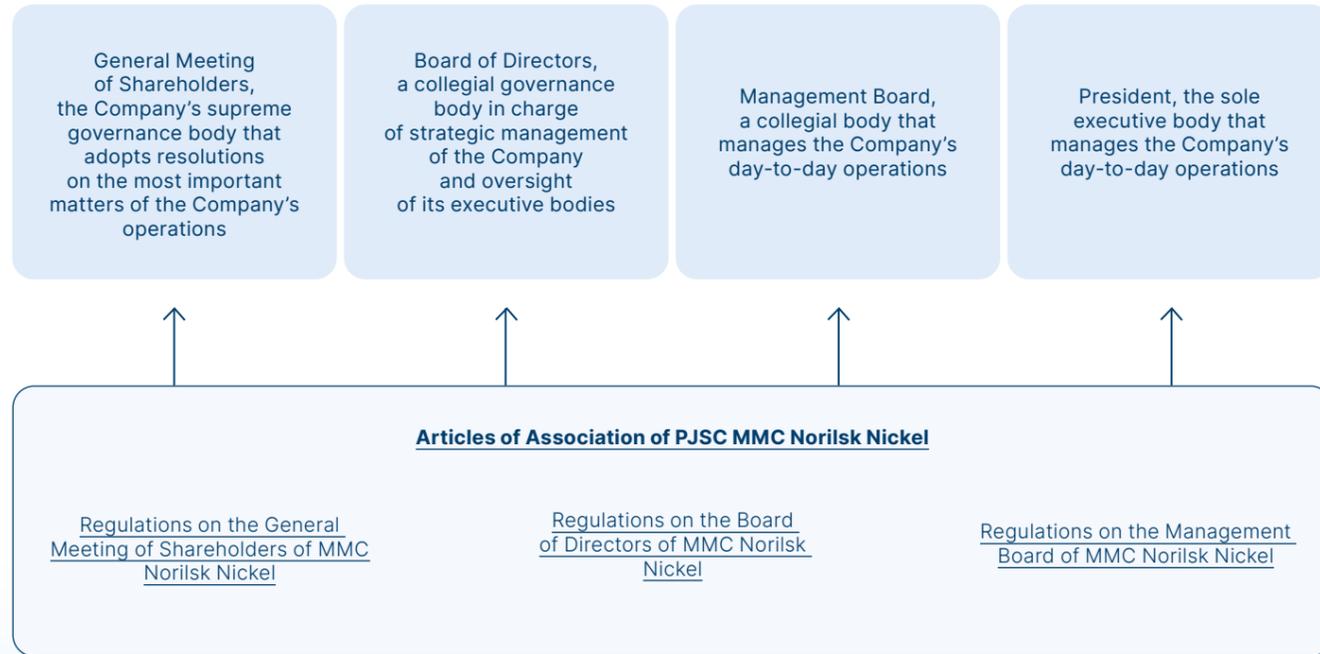
RUB 2,472 bn
aggregate market value

Share capital structure as at 31 December 2023, %



Governance bodies

GRI 2-9, 2-10, 2-11, 2-12, 2-13



Board of 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. The Company has a transparent framework for evaluating nominees to the Board of Directors. All recommended nominees shall meet the qualification requirements set forth in the Company's Policy on Development and Approval of Vote Recommendations on Candidates Nominated to the Board of Directors¹.

13 members
the current size of the Board of Directors, which is best aligned with Nornickel's goals and objectives.

Key qualifications for nominees to the Board of Directors

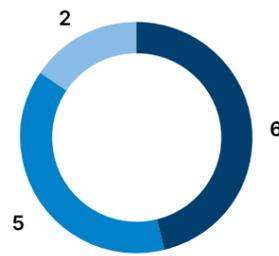
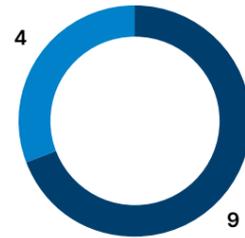
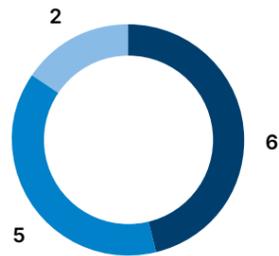
- Impeccable professional and personal reputation, excellent professional qualifications and understanding of the key principles underpinning the Company's business**
- Professional qualification, experience and skills aligned with the Company's current and expected needs**
- Interest in serving on the Company's Board of Directors, including availability of sufficient time to dedicate to their role as directors**
- Knowledge and understanding of all legal responsibilities related to Board service**
- No conflict of interest in any form**
- Service on the board of directors of no more than five other public companies at the same time**

Composition of the Board of Directors as at 31 December 2023²

Independent directors	Non-executive directors	Executive directors
<ul style="list-style-type: none"> Denis Alexandrov Sergey Volk Alexey Ivanov Irina Komarova Anton Sychev Evgeny Shvarts 	<ul style="list-style-type: none"> Sergey Batekhin Elena Bezdenezhnykh Andrey Bougrov Alexandra Zakharova Egor Sheibak 	<ul style="list-style-type: none"> Marianna Zakharova Sergey Malyshev

¹ The full version is available on the [Company's website](#).
² Marianna Zakharova holds the position of First Vice President, Corporate Governance, Asset Management and Legal Affairs, Sergey Malyshev is Senior Vice President – Chief Financial Officer. The other Board members hold no major positions within the Company. As at the end of 2023, the Board of Directors was chaired by Andrey Bougrov. For more details on members of the Board of Directors, please see the [Company's official website](#).

Composition of the Board of Directors as at 31 December 2023



- 35-50 y.o.
- 51-59 y.o.
- >60 y.o.

- Men
- Women

- Independent directors
- Non-executive directors
- Executive directors

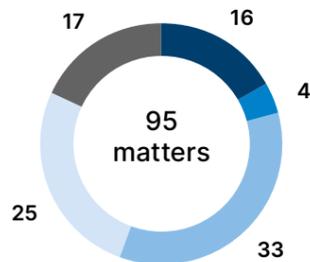
As at the end of 2023, the average age of the Board members was 53, while their average length of service on the Board was 4.8 years.

Four women are members of the collegial governing body (31% of all members). Going forward, the Company looks into ways to increase representation of women on the Board of Directors in line with the global practices.

As at 31 December 2022, the Board had six independent directors (46% of the total number), who provide professional unbiased opinion on all agenda items. The balanced composition in terms of independence ensures efficient decision-making in line with the interests of all stakeholders and improves the quality of managerial decisions.

GRI 2-12, 2-16

The Board of Directors meets as and when required, but at least once every six weeks.



- Economics and finance
- Social and environmental matters
- Corporate Governance
- Transaction approval
- Other matters

46 meetings held by the Board of Directors in 2023

100% attendance at meetings of the Board of Directors in 2023

115 resolutions adopted by the Board of Directors in 2023

95 matters were considered by the Board of Directors in 2023

At least once a year, the Company's top management reports to the Board of Directors on the Group's impact on the economy, environment, and people. On a quarterly basis, the Board of Directors

reviews the Company's financial results, operational performance, and OHS reports.

Members of the Board of Directors may request information and clarifications on the Company's operations, instruct the management on certain aspects

of sustainable development and monitor the implementation. Authorised executives are vested with powers and responsibilities to address economic, environmental and social matters and may delegate their powers to other employees based on their competences and functions¹.



¹ For more details on the split of responsibilities for key areas of sustainable development, please see the [Sustainability Management](#) section.

Director induction and training

GRI 2-17

Nornickel has in place the [Professional Development Policy for Members of Board of Directors](#).

It provides for an annual development programme for members of the Board of Directors. They also receive annual training in dealing with insider information.

Newly elected Board members undergo onboarding and attend a series of meetings with executives and key officers of the Company.

The Company also organises field sessions for its directors, which involve visits to the Company's production sites and meetings with heads of production units to address key issues locally. In September 2023, directors visited the Murmansk Region: at Severny Mine, members of the Board of Directors descended into the mine, discussed the prospects of production and development of the mine, initiatives to improve the efficiency of the Horizon-730 project; in the Pechengsky District, they attended the Kola superdeep borehole, the visitor centre of the Pasvik Nature Reserve, and the Second School Centre. In Monchegorsk, they saw the nickel electrolysis shop and cobalt production

facility, where they discussed issues related to the social situation in the team, management's attitude to safety, the Company's participation in the life of the local communities, and the development prospects of the areas where Nornickel operates.

Evaluation of the Board of Directors performance

GRI 2-18

Nornickel has the Performance Evaluation Policy for the Board of Directors developed in line with the Bank of Russia's Corporate Governance Code and best corporate governance practices.

The policy involves two types of evaluation: internal and external. The Company runs annual **internal evaluation (self-evaluation)** of the Board of Directors' performance in the form of an online questionnaire filled by each director based on a schedule approved by the Board of Directors. For each question there is a text field where directors may enter additional comments.

Following analysis of the questionnaires, the Corporate Governance, Nomination and Remuneration Committee prepares a report that contains information on the evaluation process, results, and recommendations aimed at improving

the performance of the Board of Directors and its committees, as well as professional development of individual members. Subject to the recommendations provided, the report is approved by the Company's Board of Directors. The recommendations are communicated to all stakeholders.

In 2023, in accordance with the recommendations, the Corporate Governance, Nomination and Remuneration Committee continued to consider issues related to human capital development and personnel motivation, and the Board of Directors' Strategy Committee continued to consider issues related to the Company's strategic development and implementation of major investment projects. Also in 2023, members of the Company's Board of Directors and management visited Kola MMC and its production sites.

An external independent assessment of the Board of Directors' performance is carried out at least once every three years. In 2021, the last external evaluation of the Board of Directors' performance was carried out by the Professional Directors Association¹.

Committees of the Board of Directors

For preliminary review of the most important matters and preparation of recommendations for decision-making on them, Nornickel has six committees of the Board of Directors. The Transactions Committee has been in place since 2023. The Committee operations, structure, functions and membership are defined by the respective Committee Regulations¹.

Key functions of the Board's Committees

GRI 2-9, 2-12, 2-13

Committee	Key functions
Audit Committee	<ul style="list-style-type: none"> Reviewing matters related to financial statements Overseeing risk management and internal controls Overseeing external and internal audits Preventing employee and third party wrongdoing Reviewing matters related to environmental safety, occupational health and safety
Strategy Committee	<ul style="list-style-type: none"> Preliminary review of matters pertaining to corporate strategy, investment planning, restructuring, and interaction with capital markets and government authorities
Budget Committee	<ul style="list-style-type: none"> Issuing recommendations to the Board of Directors in order to facilitate decision-making on the amount of dividends and on the record date to be suggested by the Board of Directors. Taking into account information on the Company's financial results Approving the Company's budget
Corporate Governance, Nomination and Remuneration Committee	<ul style="list-style-type: none"> Support in assessing, overseeing and improving Nornickel's corporate governance framework; succession planning for Nornickel's Board of Directors and Management Board; providing incentives, evaluating the performance of Nornickel's Board of Directors, Management Board, President, and Corporate Secretary, and setting relevant remuneration policies; supervising the development and implementation of Nornickel's information policy
Sustainable Development and Climate Change Committee	<ul style="list-style-type: none"> Integration of the sustainable development principles, including climate change, into the Company's operations Overseeing the development and implementation of a strategy on sustainable development and climate change Overseeing risk management and internal control in sustainable development and climate change Overseeing the Company's internal reporting and public disclosures on sustainable development and climate change Overseeing external audit of the Company's sustainable development and climate change reports and activities
Transactions Committee	<ul style="list-style-type: none"> Review of transactions requiring approval by a qualified majority of the Board of Directors

¹ For more details, please see Nornickel's [2022 Sustainability Report](#).

¹ The full versions of the documents are available on the [Company's website](#).

Composition of the Board's Committees as at 31 December 2023

The composition of the Board's committees is determined by resolution of the Board of Directors.

● Independent directors ● Non-executive directors ● Executive directors

Committee	Number of members	Chairperson	Composition
Audit Committee	5	Chaired by Alexey Ivanov (independent director)	<p>20% Independent, 80% Non-executive</p>
Budget Committee	5	Chaired by Egor Sheibak (non-executive director)	<p>40% Independent, 60% Non-executive</p>
Strategy Committee	5	Chaired by Denis Alexandrov (independent director)	<p>40% Independent, 60% Non-executive</p>
Corporate Governance, Nomination and Remuneration Committee	5	Chaired by Anton Sychev (independent director)	<p>40% Independent, 60% Non-executive</p>
Sustainable Development and Climate Change Committee	5	Chaired by Evgeny Shvarts (independent director)	<p>40% Independent, 60% Non-executive</p>
Transactions Committee	3	Chaired by Alexandra Zakharova (non-executive director)	<p>33% Independent, 67% Non-executive</p>

Executive bodies

GRI 2-13

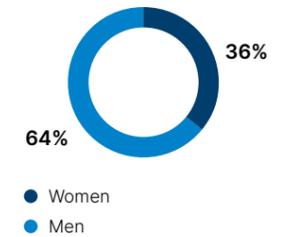
The President and the Management Board are the Company's executive bodies.

The President is elected at a General Meeting of Shareholders for an indefinite period and acts as the Chairman of the Management Board. In 2023, the position of the Company's President and Chairman of the Management Board was held by Vladimir Potanin.

As at the end of 2023, Vladimir Potanin had held the position of the President (CEO before 2015) for 11 years and 13 days.

The Management Board reports to the Company's Board of Directors and General Meeting of Shareholders and implements their resolutions. The remit of the Management Board members, who also hold the positions of Vice Presidents, includes the Company's impact on the economy, environment, and local communities.

11 members
the number of the Management Board members

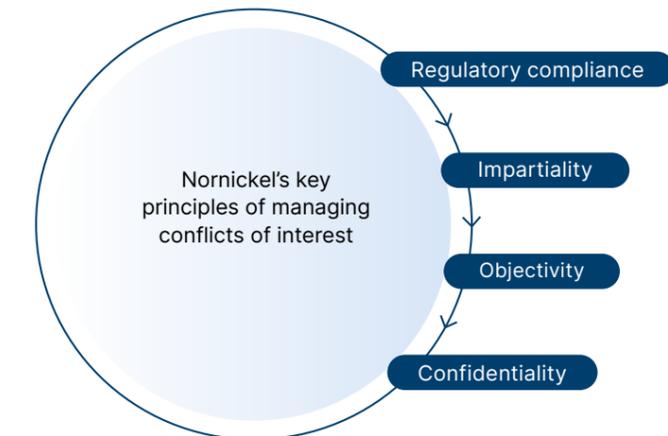


Prevention of conflict of interest

GRI 2-15

Measures aimed at preventing possible conflicts of interest of shareholders and members of the Board of Directors:

- transactions that meet the criteria for related-party transactions are executed in line with the procedure prescribed by the Russian laws on joint-stock companies;
- a special procedure applies to the approval of transactions with conflicts of interest involving holders of more than 5% of voting shares: such transactions are subject to approval by a qualified majority of the Company's Board of Directors (at least 10 out of 13 votes of the Board members) in accordance with the Company's Articles of Association;
- Nornickel's by-laws state that members of the Board of Directors shall refrain from engaging in any activities that may cause a conflict of interest, and, if there



is reason to believe such conflict may occur, notify the Corporate Secretary in writing;

- if a director has a direct or indirect interest in a matter submitted for consideration by the Board of Directors, they shall inform the Board of Directors accordingly before

the matter is considered or resolved and withdraw from any further discussions and voting on such matter;

- if a director has a direct or indirect personal interest in a matter submitted for consideration by the Board of Directors, they shall inform the Board of Directors accordingly before the matter is considered or resolved and withdraw from any further discussions and voting on such matter.

Remuneration

GRI 2-19, 2-20

Remuneration payable to non-executive governance bodies

The Board of Directors' annual remuneration is set out in the [Remuneration Policy for Members of the Board of Directors](#) approved by the General Meeting of Shareholders.

In 2023, the Annual General Meeting of Shareholders set the remuneration for the Chairman of the Board of Directors in the amount of USD 1 mln per year, paid on a quarterly basis in equal instalments in roubles at the exchange rate of the Bank of Russia on the last business day of the reporting quarter¹.

In accordance with international best practices in corporate governance, the Chairman of the Board of Directors shall not be a member of any committee of the Board of Directors². Should such a need arise, the Chairman of the Board of Directors will not be entitled to any additional remuneration.

Remuneration payable to executive governance bodies

Key principles and mechanisms of remunerations due to executives are set out in the Articles of Association, Regulations on the Management Board, and other by-laws³ of the Company. Nornickel's remuneration framework, including decisions on remuneration and reimbursement payable to the Company's President, is monitored by the Board of Directors.

Annual remuneration for non-executive directors

USD 120,000
base remuneration paid to the Board members

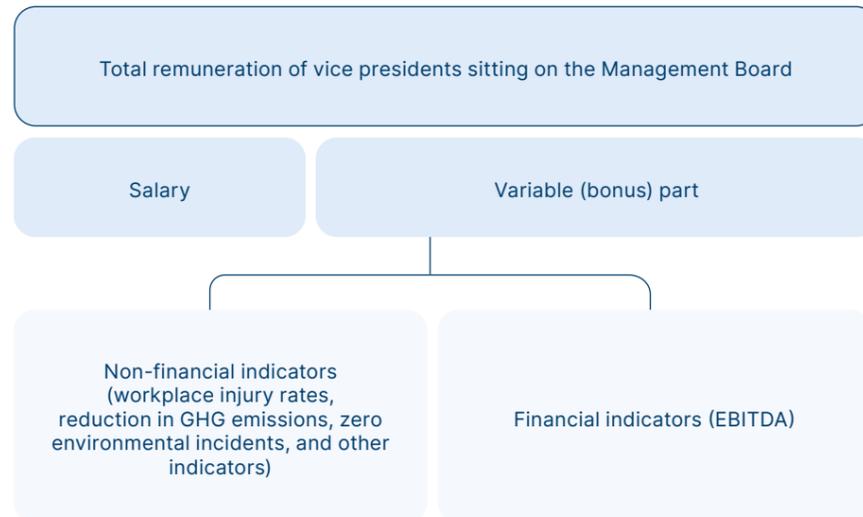
USD 50,000
additional remuneration for membership in a committee of the Board of Directors

USD 150,000
additional remuneration for chairing a committee of the Board of Directors

Reimbursement of expenses incurred by directors in discharge of their duties

Total remuneration of the President comprises base salary and bonuses. Based on the President's performance in the reporting year, the Board

of Directors resolves whether a bonus should be paid to the President of the Company or not.



➔ For details on sustainability KPIs approved for the Company's senior management, please see the [Sustainability Management](#) section

¹ This amount is after taxes withheld in accordance with the applicable Russian laws.

² As of the end of 2023, Andrey Bougrov was not a member of any committee of the Board of Directors.

³ The full versions of the documents are available on the [Company's website](#).

INTERNAL CONTROL AND RISK MANAGEMENT

Risk management framework

Key risk management objectives at Nornickel



The corporate risk management framework aligns with the principles and requirements of applicable laws and professional standards. Those include:

- Corporate Governance Code recommended by the Bank of Russia;
- GOST R ISO 31000-2019 (Risk Management. Principles and Guidelines);

- COSO ERM (Enterprise Risk Management — Integrating with Strategy and Performance);
- Recommendations on Risk Management, Internal Controls, Internal Audit and the Work of the Board of Directors' (Supervisory Board's) Audit Committee in Public Joint-Stock Companies¹.

- Key by-laws setting out the core principles and components of the risk management framework, as well as the responsibilities of risk management units, include:
- MMC Norilsk Nickel's Risk Management Policy;
 - MMC Norilsk Nickel's Risk Management Regulations.



¹ Appendix to Letter of the Bank of Russia No. IN-06-28/143 dated 1 October 2020.