

Board of Directors

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 operation, and implementing risk management initiatives and procedures;
- approving, 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 No. 208-FZ On Joint Stock Companies dated 26 December 1995, and the Company's Charter.

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.

Pursuant to the 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:

- 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 the same;
 - 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. The Company believes that to fully meet the best global practices. The independent Chairman of the Board of Directors of the Company ensures the most efficient interaction between the Board of Directors, shareholders and other stakeholders. 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.

- ensuring high efficiency of the Board of Directors and its committees;
- convening the Board of Directors meetings and preparing their agendas;

Independent directors

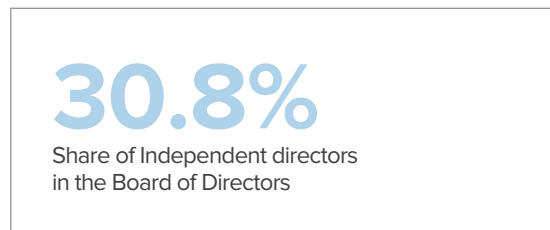
In accordance with global corporate governance practices and recommendations of the Bank of Russia’s Corporate Governance Code, no less than one third of the Board of Directors should consist of independent directors. Moreover, the Company believes that independent directors are key to efficient operation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

In the lead-up to the Annual General Meeting of Shareholders in April 2017, the Corporate Governance, Nomination and Remuneration Committee of MMC Norilsk Nickel’s Board of Directors reviewed the compliance of nominees to the Board of Directors with independence criteria. The current directors on the Board were elected in the annual general meeting on 9 June 2017. As at the end of 2017, four (30.8%) out of 13 directors were recognised as 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.

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.

Performance of the Board of Directors

For MMC Norilsk Nickel, 2017 was the year of sustainable and rapid growth that helped us deliver strong results and reinforce our leadership both domestically and globally. Tight cooperation between the Board of Directors and the Company's management enabled us to achieve target KPIs.

To support shareholder value and ensure comprehensive protection of shareholder rights and interests in the reporting period, the Company kept working on the strategy and priority areas of business, improving corporate governance and boosting social responsibility.

In 2017, we approved the new version of the Company's Charter while also introducing a number of by-laws (regulations and policies) to make sure we are aligned with global best practices and retain our leadership in the global market to enhance trust with our shareholders and investors.

In the reporting period, the Company also focused on driving innovations and the use of new technology to achieve operating excellence. As part of the dedicated programme, we took steps to improve production

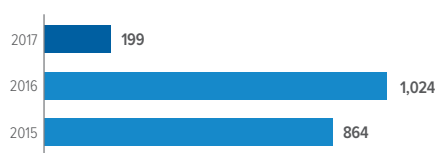
efficiency and cut operating costs, and implemented a number of security and health and safety initiatives across our footprint. An effective strategy and an in-depth market analysis helped us achieve an entirely new level of efficiency and confirm our status as a company with one of the most compelling investment cases in Russia.

Over the last three years, the Company has been conducting an internal assessment of the Board of Directors' performance, with the methodology developed with assistance of an independent consultant and the best global practices. An external assessment is planned to be organised following 2018.

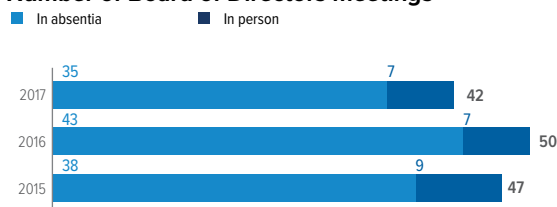
In 2017, the Board of Directors held 42 meetings, including 7 in person, and considered a total of 199 matters.

A reduction in the number of matters considered by the Board of Directors is due to the amendments to the Federal Law On Joint-Stock Companies effective from 1 January 2017 and pertaining to the regulation of major and related-party transactions

Number of matters considered



Number of Board of Directors meetings



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

Full name	Title	Meetings of the Board of Directors	Strategy Committee	Budget Committee	Audit and Sustainable Development Committee	Corporate Governance, Nomination and Remuneration Committee
		Participation / number of meetings				
Gareth Peter Penny	Independent director / Chairman	42/42	8/10	–	–	–
Gerhardus Prinsloo	Independent director / Chairman of the Audit and Sustainable Development Committee	42/42	10/10	5/5	10/10	15/15
Robert Edwards	Independent director	42/42	–	–	10/10	15/15
Sergey Bratukhin	Independent director / Chairman of the Corporate Governance, Nomination and Remuneration Committee	42/42	10/10	5/5	10/10	15/15
Sergey Skvortsov	Non-executive director	24/42	–	–	–	–
Andrey Bougrov	Executive director	42/42	–	–	–	–
Marianna Zakharova	Executive director	42/42	–	–	–	–
Sergey Barbashev	Non-executive director	42/42	–	5/5	–	15/15
Alexey Bashkirov	Non-executive director / Chairman of the Budget Committee	42/42	9/10	5/5	10/10	–
Maxim Sokov	Non-executive director / Chairman of the Strategy Committee	42/42	10/10	–	–	–
Vladislav Soloviev	Non-executive director	42/42	–	–	–	–
Stalbek Mishakov	Non-executive director	42/42	–	5/5	–	15/15
Rushan Bogaudinov	Non-executive director	42/42	–	–	10/10	–

>90%

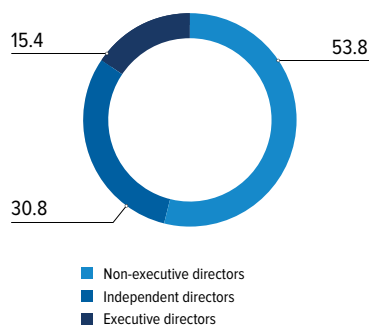
of meetings of the Committee of the BoD were held with 100% turnout

96.7%

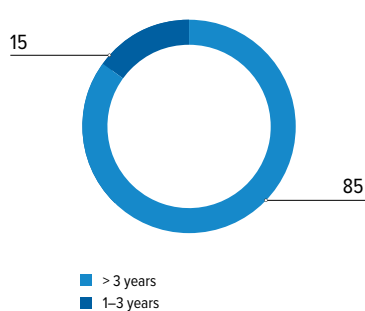
attendance of Board meetings

Composition of the Board of Directors

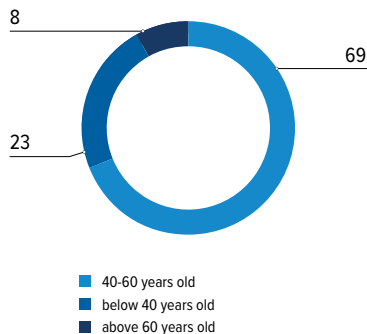
Composition of the Board of Directors // %



Breakdown by years served on the Board of Directors // %



Breakdown by age // %



As at 31 of December 2017 the Board of Directors was made up of 13 members, including four independent, seven non-executive and two executive directors. Following the Annual General Meeting of

Shareholders held on 9 June 2017, Sergey Skvortsov was elected to the Board of Directors, replacing Andrey Korobov.

Key competencies of the Board of Directors

Name	Years on the Board of Directors	Track record as a member of the Board of Directors	Strategy	Law and corporate governance	Finance and audit	Mining and engineering	International economic relations
Gareth Peter Penny	4 years	Since 2013	+			+	+
Gerhardus Prinsloo	5 years	Since 2012	+	+	+	+	
Robert Edwards	4 years	Since 2013		+	+	+	
Sergey Bratukhin	4 years	Since 2013	+	+	+	+	
Sergey Skvortsov	2 years	2014–2015 Since 2017			+		+
Andrey Bougrov	15 years	Since 2002		+		+	+
Marianna Zakharova	7 years	Since 2010		+		+	
Sergey Barbashev	6 years	Since 2011		+			
Alexey Bashkirov	4 years	Since 2013	+		+		+
Maxim Sokov	9 years	Since 2008	+	+		+	+
Vladislav Soloviev	7 years	2008–2011 Since 2013		+		+	
Stalbek Mishakov	5 years	Since 2012		+		+	+
Rushan Bogaudinov	2 years	Since 2015			+	+	
Total			6	9	6	10	6

Biographies of members of the Board of Directors



PENNY Gareth Peter

Born in: 1962
Nationality: UK
Chairman of the Board of Directors since 2013
Independent director
Member of the Strategy Committee
Share in the Company's authorised capital: 0%
Share in the common stock: 0%

Education:
 Bishops Diocesan College, Cape Town
 Eton College, UK
 Oxford, Rhodes Scholar, UK
 Master of Arts in Philosophy, Politics and Economics

Track record:
 2007–present: Non-Executive Director at Julius Bär Holding Ltd
 2012–2016: Executive Chairman at New World Resources plc, Executive Director at New World Resources NV
 2012–2016: member of the Board of Directors at OKD
 2016–present: Non-Executive Chairman of the Board of Directors at Pangolin Diamonds Corp.
 2017–present: Non-Executive Chairman of the Board of Directors at Edcon Holdings Limited
 2017–present: Director at Amulet Diamond Corporation



BOUGROV Andrey

Born in: 1952
Nationality: Russia
Deputy Chairman of the Board of Directors since 2013
Executive director (2002-2013 member of the Board of Directors)
Member of the Management Board since 2002
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 Economic Relations 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, 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: member of the Expert Committee of the Russian President's Anticorruption Office
 2015–present: member of the Management Board, Deputy Chairman of the Board of Directors at MMC Norilsk Nickel
 2015–2016: 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
 2018 – present: Chairman of the Board of non-financial reporting at RUIE, vice-present and member of the Management Board at RUIE



BARBASHEV Sergey

Born in: 1962

Nationality: Russia

Member of the Board of Directors since 2011

Non-executive director

Member of the Corporate Governance, Nomination and Remuneration Committee

Share in the Company's authorised capital: 0.0%¹

Share in the common stock: 0.0%¹

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.



BASHKIROV Alexey

Born in: 1977

Nationality: Russia

Member of the Board of Directors since 2013

Non-executive director

Chairman of the Budget Committee, member of the Audit and Sustainable Development Committee and the Strategy Committee

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 Economic Relations

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 Petrovax Pharm and 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

2016–present: member of the Board of Directors at iGlass Technology Inc.

2016–present: Managing Director at Winter Capital Advisors

2016–present: CEO at Translaininvest

¹ On 10 April 2017, Mr Sokov's share in the Company's authorised capital changed from 0.000088% to 0% following the gift of his stake.



**BOGAUDINOV
Rushan**

Born in: 1977
Nationality: Russia
Member of the Board of Directors since 2015
Non-executive director
Member of the Audit and Sustainable Development Committee
Share in the Company's authorised capital: 0%
Share in the common stock: 0%

Education:

Moscow State Technological University "Stankin", degree in Engineering

Track record:

2010–present: member of the Institute of Internal Auditors (IIA)
 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.

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Business overview

Corporate governance

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Appendixes



**BRATUKHIN
Sergey**

Born in: 1971
Nationality: Russia
Member of the Board of Directors since 2013
Independent director
Chairman of the Corporate Governance, Nomination and Remuneration Committee, member of the Strategy Committee, the Budget Committee and the Audit and Sustainable Development Committee
Share in the Company's authorised capital: 0%
Share in the common stock: 0%

Education:

Mendeleev University of Chemical Technology of Russia, degree in Engineering;
 Finance Academy under the Government of the Russian Federation, degree in Banking and Insurance;
 Warwick Business School, degree in Business Management

Track record:

2007–2017: member of the Board of Directors at Dallesprom
 2007–2014: member of the Board of Directors at Amur Shipping Company
 2011–present: President at Invest AG (CIS Investment Advisers LLC)
 2014–2016: member of the Board of Directors at AKB International Financial Club



ZAKHAROVA
Marianna

Born in: 1976

Nationality: Russia

Member of the Board of Directors since 2010

Executive director

Member of the Management Board since 2016

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 (Interros Holding Company CJSC until 2015)

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



MISHAKOV
Stalbek

Born in: 1970

Nationality: Russia

Member of the Board of Directors since 2012

Non-executive director

Member of the Corporate Governance, Nomination and Remuneration Committee and the Budget Committee

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 (USA), 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.

2013–2016: member of the Board of Directors at United Company RUSAL Plc

2013–present: deputy CEO at EN+ Management



**PRINSLOO
Gerhardus**

Born in: 1965
Nationality: Germany
Member of the Board of Directors since 2012
Independent director
Chairman of the Audit and Sustainable Development Committee, member of the Strategy Committee, Budget Committee, and the Corporate Governance, Nomination and Remuneration Committee
Share in the Company's authorised capital: 0%
Share in the common stock: 0%

Education:
 University of Pretoria (South Africa), Bachelor of Commerce

Track record:
 2012–present: CEO of Natural Resource Partnership

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**SOKOV
Maxim**

Born in: 1979
Nationality: Russia
Member of the Board of Directors since 2008
Non-executive director
Chairman of the Strategy Committee
Share in the Company's authorised capital: 0.0011%
Share in the common stock: 0.0011%

Education:
 Russian State Tax Academy under the Russian Ministry of Taxes, degree in Law; New York University, Master's degree in Law, lawyer (USA)

Track record:
 2008–2013: CEO of OK RUSAL – Investment Management
 2012–present: member of the Board of Directors at United Company RUSAL Plc
 2012–2013: Director of 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
 2013–2017: member of the Board of Directors at En+ Group Limited and Eurosis Energy Plc
 2014–2017: CEO at En+ Group Limited
 2017–present: CEO and member of the Board of Directors at En+ Group Plc
 2017–present: member of the Board of Directors at FESCO
 2017–2018: CEO at En+ Group Plc
 2018–present: president at En+ Group Plc



SKVORTSOV
Sergey

Born in: 1964

Nationality: Russia

Member of the Board of Directors in 2014–2015 and since 2017

Non-Executive director

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 Economic Relations, PhD in Economics

Track record:

2006–present: member of the Board of Directors at KAMAZ
2008–2016: member of the Board of Directors at AVTOVAZ
2009–2013: Managing Director at CJSC CIB Financial Broker
2013–2014: Managing Director for Investments at Rostec State Corporation
2014–2016: Deputy CEO at Rostec State Corporation
2014–2017: member of the Board of Directors at OPK Oboronprom
2014–present: member of the Board of Directors at Russian Helicopters

2014–2015: member of the Board of Directors at OJSC MMC Norilsk Nickel

2014–present: Non-Executive Chairman of the Board of Directors at RT-Invest JSC (formely, until 2017, RT-Invest LLC)

2016–2017: Adviser to CEO at Rostec State Corporation

2016–present: member of the Association of Russian Automakers, non-profit partnership

2016–present: Chairman of the Board of Directors at PJSC AVTOVAZ

2016–present: member of the Board of Directors at Alliance Rostec Auto B.V.



SOLOVIEV
Vladislav

Born in: 1973

Nationality: Russia

Member of the Board of Directors in 2008–2011 and since 2013

Non-executive director

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 State Technological University "Stankin"; University MBA

Track record:

2007–present: member of the Board of Directors at United Company RUSAL Plc

2008–2015: member of the Board of Directors at En+ Group Limited

2010–2014: First Deputy Director at CJSC RUSAL Global Management B. V.

2014–2018: CEO of CJSC RUSAL Global Management B. V. and United Company RUSAL Plc

2018–present: member of the Board of Directors and CEO at En+ Group

2018–present: president at United Company RUSAL Plc and CJSC RUSAL Global Management B. V.



**EDWARDS
Robert**

Born in: 1966

Nationality: UK

Member of the Board of Directors since 2013

Independent director

Member of the Corporate Governance, Nomination and Remuneration Committee, and the Audit and Sustainable Development Committee

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:

2013–2014: Senior Advisor at Royal Bank of Canada (Europe) Capital Markets

2013–present: CEO at Highcross Resources Ltd

2014–2018: Non-Executive Director at GB Minerals Ltd

2016–2016: Non-Executive Chairman at Sierra Rutile Limited (SRX)

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. The Company set up four committees of the Board of Directors, each made up of five persons:

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

Audit and Sustainable Development Committee

As per the resolution of the Board of Directors dated 16 October 2017 (Minutes No. GMK/34-pr-sd), the Board of Directors' Audit Committee is renamed as the Audit and Sustainable Development Committee. The Board of Directors also approved the new version of the Regulation on Audit and Sustainable Development Committee of the Board of Directors.

The Audit and Sustainable Development Committee deals with matters related to financial statements, risk management and internal controls, 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 ten meetings, including eight in person and two joint meetings (joint meetings of the Audit and Sustainable Development Committee and the Budget Committee on 14 March 2017 and 14 August 2017).

The committee is made up of five directors, three of which are independent, including its Chairman. No executive directors are members of the Audit and Sustainable Development Committee. On average, members of the Audit and Sustainable Development Committee of the Company's Board of Directors have more than 10 years of experience in finance.

Members of the Audit and Sustainable Development Committee in 2017¹

Gerhardus Prinsloo (Chairman, independent director)

Robert Edwards (independent director)

Alexey Bashkirov

Rushan Bogaudinov

Sergey Bratukhin (independent director)

The Audit and Sustainable Development 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, independent auditor, the Internal Audit Department and management of the Company.

During the reporting year, the 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, improvement of accounting for metal bearing products, and approval of the Company's auditors. The Audit and Sustainable Development Committee also considered and took note of the results achieved in identifying, assessing and managing technical and production risks across the Norilsk Nickel Group's operations and assets, and results of audits conducted by the Internal Audit Department.

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.

In the reporting year, the committee held ten meetings, including six in person, one in absentia, two joint meetings (one with the Corporate Governance, Nomination and Remuneration Committee on 17 May 2017, and the other with the Budget Committee on 6 December 2017), and one conference call.

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

Members of the Strategy Committee in 2017²

Maxim Sokov (Chairman)

Gerhardus Prinsloo (independent director)

Alexey Bashkirov

Gareth Peter Penny (independent director)

Sergey Bratukhin (independent director)

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, along with fuel and energy and sales strategies. The committee reviewed the updates on the progress and status of major investment projects, prepared a progress report on production reconfiguration, and noted the relevant management efforts in implementing the Technology Breakthrough initiative. For strategic planning purposes, the Committee reviewed production reports and results of the programme designed to improve production efficiency and reduce operating costs.

¹ In 2017, there were no changes to the committee's composition.

² In 2017, there were no changes to the committee's composition.

Budget Committee

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

In the reporting year, the committee held five meetings, including two in absentia and three joint meetings (two with the Audit and Sustainable Development Committee on 14 March 2017 and 14 August 2017, and one with the Strategy Committee on 6 December 2017).

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

Members of the Budget Committee in 2017¹

Alexey Bashkirov (Chairman)

Sergey Barbashev

Sergey Bratukhin (independent director)

Gerhardus Prinsloo (independent director)

Stalbek Mishakov

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 prepared information on cobalt sales policy and, following the discussion with the management, issued recommendations to further develop the same. The committee approved the Company's 2018 budget and recommended the continuation of the capital expenditure reduction initiatives.

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.

In the reporting year, the committee held 15 meetings, including 14 meetings in absentia and one joint meeting (on 17 May 2017, 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 recognised as non-executive.

Members of the Corporate Governance, Nomination and Remuneration Committee in 2017²

Sergey Bratukhin (Chairman, independent director)

Sergey Barbashev

Stalbek Mishakov

Robert Edwards (independent director)

Gerhardus Prinsloo (independent director)

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 the General Meeting of Shareholders (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).

¹ In 2017, there were no changes to the committee's composition.

² In 2017, there were no changes to the committee's composition.

Additionally, the Corporate Governance, Nomination and Remuneration Committee approved the revised Regulation on Audit and Sustainable Development Committee of the Board of Directors and advised the Board of Directors on approval of the Company's policies and regulations, and evaluation of directors' performance in 2017. The committee reviewed

management updates on implementation of the Our Home and My Home programmes, corporate social subsidised loan programme, and the charitable policy of the Company, and noted the management's achievements in implementing the Human Capital Development Programme.

Corporate Secretary



PLATOV Pavel

Born in: 1975

Nationality: Russia

Corporate Secretary since 2011

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)

In the reporting year, the Company Secretary was renamed Corporate Secretary as per the new version of the Charter approved by the Annual General Meeting of Shareholders (Minutes No. 1 of 9 June 2017) and the resolution of the Board of Directors (Minutes No. GMK/24-pr-sd of 14 July 2017).

The mission of the Corporate Secretary is to ensure compliance with the procedures for the protection of shareholders' rights and legitimate interests, as prescribed by the applicable laws and the Company's by-laws, and to monitor such compliance.

Pursuant to the Charter, the Corporate Secretary is appointed by the Board of Directors for a three-year term. The Board of Directors may terminate the powers of the Corporate Secretary prior to their expiration.

The Corporate Secretary is responsible for:

- preparation and running of the General Meeting of Shareholders as provided for by the applicable Russian laws, the Company's Charter and by-laws,

- making arrangements for and running meetings of the Board of Directors and its committees as provided for by the applicable Russian laws, Company's Charter and by-laws;
- providing ongoing support and assistance to the Board of Directors, its committees and members;
- contributing to the improvement of the Company's corporate governance framework and practices;
- managing the operations of the Secretariat;
- other functions as per the Company's by-laws.

In accordance with the Regulation on the Corporate Secretary of MMC Norilsk Nickel approved by the Board of Directors on 20 April 2015 (Minutes No. GMK/14-pr-sd), the Company's Corporate Secretary has an administrative reporting line to the President and is accountable to the Board of Directors.

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