

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 methods 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.

Awards

MMC Norilsk Nickel received an outstanding award at InfoSecurity Russia 2017: Global Initiatives in Industrial IT Security



Independent audit

The Company has approved the Procedure to Select an Auditor for MMC Norilsk Nickel's RAS and IFRS Financial Statements, which requires first to establish a tender commission to produce a list of auditors who perform best in the Russian market of audit services. The auditor whose conditions are recognised to be the best following the procedure, is recommended to the Audit and Sustainable Development Committee which, in its turn, assesses the candidate for an independent auditor and provides recommendations to the Board of Directors. Under applicable laws and Clause 7.1.9 of the Company's Charter, the auditor shall be approved by an Annual General Meeting of Shareholders.

In June 2017, the General Meeting of Shareholders, following the recommendation of the Board of Directors, approved JSC KPMG as the Company's auditor for RAS and IFRS 2017 accounts, as well as IFRS accounts for 1H 2018.

The auditor receives a fixed fee as determined in the technical and business proposal that sets out the audit procedure for all material audited facilities and calculates the labour input and travel expenses required to conduct the audit, based on the qualifications and hourly rates of experts engaged. In 2017, the auditor's fee amounted to USD 4.2 mln, including overhead charges and VAT. The share of non-audit services rendered to the Company stood at 24% of the total fee.

The auditor receives in 2017

Type of services	mln RUB	mln USD
Audit of consolidated IFRS financial statements for 2017	104.4	1.8
Audit of RAS financial statements for 2017	17.7	0.3
Review of interim IFRS financial statements for 6M 2017	26.6	0.5
Audit-Related Services	39.2	0.7
Non-audit services	58.8	1.0
Total	246.7	4.2