

Principles and structure

PRINCIPLES

In line with best practices, the Board of Directors of MMC Norilsk Nickel reaffirms the Company's commitment to the highest corporate governance standards, and confirms its compliance with key material principles of the Corporate Governance Code as recommended by the Bank of Russia.

The Board of Directors views compliance with key principles and recommendations of the Corporate Governance Code as an efficient tool to improve corporate governance and ensure long-term sustainable growth.

Since 2002, the Company has been following the recommendations of the Corporate Governance Code first adopted by the FCSM / FFMS and then, on 21 March 2014, by the Board of Directors of the Bank of Russia.



For the report on compliance with key principles and recommendations of the Corporate Governance Code, see Appendix 2.

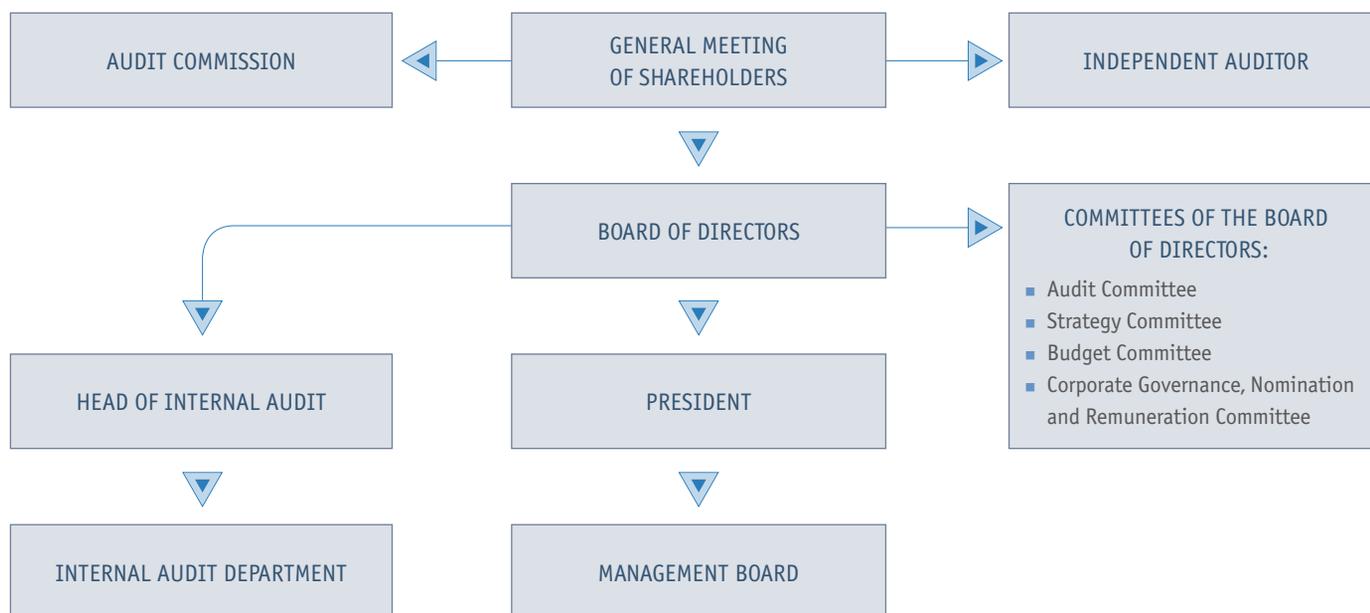


The task to sustainably increase the Company's value has been solved by combining the long-term growth strategy and the integrated corporate governance framework, including transparency in the operation of the Board of Directors. The growth strategy is central to the process and forms a long-term vision of the Company based on the key growth drivers and business results, risk assessment and management, the analysis of changes in the global and regional markets, as well as the regulatory environment. To this end, the Board of Directors constantly monitors the progress across all of the strategy components and plays a decisive role in the discussions on strategic approaches and the best choice of strategic junctions

ANDREY BOUGROV

Vice President, Deputy Chairman of the Board of Directors of PJSC MMC Norilsk Nickel

STRUCTURE



CORPORATE GOVERNANCE MODEL AND PRACTICES

Description of the model and practices

The Company's corporate governance model is based on the applicable law of the Russian Federation and principles set forth in the Corporate Governance Code, which serves as a key source for development of the Company's by-laws and a guidance to nurture best corporate governance practices.

The corporate governance model adopted by the Company and established corporate governance practices seek to harmonise the relationships among shareholders, investors, directors, executives, employees, and other stakeholders contributing to the Company's business.

The Company's corporate governance model ensures:

- equitable and fair treatment of every shareholder exercising their right to take part in managing the Company;
- strategic governance of the Company as performed by the Board of Directors;
- control of the Board of Directors over the Company's executives, and accountability of directors to the Company's shareholders;
- efficient control over the Company's financial and operating performance;
- timely and accurate disclosure of all material aspects related to the Company's business, including its

financial position, performance, ownership and governance structure.

Enhancement of the model and practices

Today, enhancement of corporate governance materially contributes to the social and economic development of the Company.

Pursuant to the Company's programme to improve its corporate governance framework as approved by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors in December 2013, the Company developed internal regulations on the committees of the Board of Directors in 2015, including:

- Regulations on the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors;
- Regulations on the Audit Committee of the Board of Directors;
- Regulations on the Budget Committee of the Board of Directors;
- Regulations on the Strategy Committee of the Board of Directors.

In 2016, 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.