

# INFORMATION ABOUT THE AUDITOR

## Proposed as the Auditor of RAS Accounting Statements and IFRS Consolidated Financial Statements of PJSC MMC Norilsk Nickel

Joint Stock Company KPMG  
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### 1. Information about JSC KPMG

Name	Information
Type of information	Joint Stock Company KPMG
Registration certificate	Certificate No. 011.585 issued by Moscow Registration Chamber on 25/05/1992, series BZ No. 000006
Registered address	office 3035, 18/1, Olympiyskiy prospect, Moscow, 129110, Russian Federation
Business address	10 Presnenskaya Naberezhnaya, Moscow, 123112, Russian Federation
Website	www.kpmg.ru
Branches	Vladivostok, Ekaterinburg, Kazan, Krasnoyarsk, Nizhny Novgorod, Novosibirsk,, Perm, Rostov-on-Don, St. Petersburg, Yuzhno-Sakhalinsk
Self-regulatory organization of auditors	JSC KPMG is a member of Self-Regulatory Organization of Auditors 'Russian Union of Auditors' (Association) Principal Registration Number of Entry (PRNE) No. 11603053203 in State Register of Auditors and Audit Organizations

### 2. Norilsk Nickel and KPMG

KPMG has been the Auditor of IFRS consolidated financial statements of the Group since the issuance of the statements as of and for the year of 2009.

KPMG has been the Auditor of RAS accounting statements of PJSC MMC Norilsk Nickel since the issuance of the statements as of and for the year of 2016.

### 3. General information about KPMG

KPMG is a Big Four company, a global network of professional firms providing audit, tax, and advisory services. The company operates in 152 countries and employs over 189,000 people. KPMG views its mission as transformation of professional knowledge into a real economic benefit in the interests of its customers, employees and international capital markets. For the year ended September 30, 2016, KPMG reported member firm combined revenues of US\$25.42 billion (versus US\$24.44 billion last year).

#### *KPMG in Russia and CIS*

KPMG has been operating in Russia for more than twenty years, and according to 2009-2016 ratings of Expert RA (Rating Agency), is the biggest audit firm within the Russia.

The overriding principle of KPMG has always been to leverage the firm's global intellectual capital, combined with the practical experience of our local professionals. KPMG provides audit services as well as a wide range of advisory services covering tax and legal matters, performance improvement, risk management, transaction support, financing, and restructuring.

In Russia and the CIS, KPMG now has offices in Moscow, Ekaterinburg, Kazan, Krasnoyarsk, Nizhny Novgorod, Novosibirsk, Perm, Rostov-on-Don, Saint Petersburg, Almaty, Astana, Atyrau, Bishkek, Kyiv, Lviv, Yerevan, Tbilisi and Baku, employing together over 4,000 people.

JSC KPMG is a member of Russian Union of Auditors (RUA).

### 4. KPMG as the largest audit company in Russia

KPMG renders audit for 29 out of 100 largest Russian companies according to the RAEX-600 rating (2016)

No.	Auditor	Number of companies
1	KPMG	29
2	PwC	26.5
3	EY	21
4	Deloitte	9
5	Others	14.5

KPMG renders audit for 4 out of 10 largest Russian metallurgical companies according to the RAEX-600 rating (2016)

No.	Company	Auditor
1	Evrax	EY
2	Rusal	KPMG
3	Norilsk Nickel	KPMG
4	NLMK	PwC
5	Severstal	KPMG
6	MMK	PwC
7	UGMK	KPMG
8	Metalloinvest	PwC
9	Mechel	EY
10	TMK	EY

## 5. KPMG services in Russia and CIS

Audit	Tax & Legal	Advisory
<ul style="list-style-type: none"> <li>• Audit of financial statements prepared in accordance with international financial reporting standards (IFRS, US GAAP)</li> <li>• Audit of financial statements prepared in accordance with Russian accounting principles (RAP)</li> <li>• Audit Based Services</li> <li>• Accounting and reporting advisory services</li> <li>• Corporate Governance and Sustainability</li> <li>• Internal Audit, Risk &amp; Compliance Services</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate &amp; Business Tax</li> <li>• International Corporate Tax</li> <li>• Indirect Tax</li> <li>• Customs Services</li> <li>• Tax Dispute Resolution</li> <li>• Corporate Tax Compliance</li> <li>• Tax Management Services</li> <li>• Tax Audit</li> <li>• Mergers &amp; Acquisitions</li> <li>• Transfer Pricing</li> <li>• Keeping records, accounting and tax statements</li> <li>• Legal Services</li> <li>• Staff Management and Taxation Services to Individuals</li> </ul>	<p><b>Investments and Capital Markets</b></p> <ul style="list-style-type: none"> <li>• Corporate Finance</li> <li>• Restructuring</li> <li>• Deal Advisory</li> </ul> <p><b>Risk Consulting</b></p> <ul style="list-style-type: none"> <li>• Financial Risk Management</li> <li>• Financial Investigations (Forensic)</li> </ul> <p><b>Management Consulting</b></p> <ul style="list-style-type: none"> <li>• Management Consulting</li> <li>• IT Advisory</li> <li>• Strategic Consulting</li> </ul>

## 6. Quality control

KPMG employs tried and true, thoroughly considered rules and procedures for quality control, and delivers highest standard of quality in audit services. Our system of rules and internal controls is constantly kept under review in order to identify new areas for improvements in the work of our audit teams. The quality control system in place at KPMG stipulates a wide range of measures aimed at ensuring the good faith and objectivity of employees during their work. The professional review system implemented to oversee the work of partners involved in the audit process enables us to guarantee the high level of their work and ensure

steadfast compliance with professional audit standards, backed by our own, even more rigorous quality control standards.

Thanks to these measures, you can be confident that our audit will meet high standards of quality and reliability.

#### *KPMG external quality control*

As a member of KPMG International, KPMG in Russia is subject to annual and thorough quality control audits of the services that we provide. Member firms of the KPMG international network must demonstrate their commitment to the highest standards of quality in audit compliance, and apply approaches, methodology and technological solutions that have been approved centrally, which enable KPMG partners and professionals to provide agreed and consistent services globally. Quality control at KPMG is a comprehensive and detailed process.

The quality control process is split into stages: the quality performance review program (“QPR”) and assessment of the existing risk management controls and processes (“Risk & Compliance”).

QPR is performed by experienced partners from other KPMG offices who did not participate in the audit engagement subject to review. The main requirements on the annual QPR can be summed up as follows: independent partners review 5-10% of the total number of hours spent on engagements for the company's clients. The review takes approximately 1-2% of the total time spent on the selected engagement.

The work selected for review is often high-risk work. Furthermore, each of our audit partners should undergo an engagement review at least once every three years irrespective of his/her client portfolio.

The Risk & Compliance review is also performed by experienced partners. The review includes the review and testing of risk management documentation, procedures and control. An office is allocated a specific rating based on the results of the annual review.

KPMG always prioritized quality control and risk management issues. At present, dedicated risk management partner and principal work at KPMG's office in Moscow, while a partner and senior manager are responsible for the organization of quality review. The employees holding key quality control and risk management positions are assisted by several other partners and managers, for example, Quality Control Reviewing Partners for audits with specific risks and from the Department of Professional Practice, who perform the mandatory repeat review of all the auditor's reports issued by KPMG.

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In 2010, 2013, and 2016, JSC KPMG received the opinion of Self-Regulatory Organization of Auditors ‘Russian Union of Auditors’ (Association), based on the results of a review of the quality of the audit and compliance with professional ethics (No. 159 dated September 30, 2010, No. 207 dated November 28, 2013, and No. 80 dated July 06, 2016).

In 2014, JSC KPMG underwent an external quality assurance review by the Federal Financial and Budgetary Oversight Service (Rosfinnadzor) responsible for external quality control of audit firms engaged in statutory audits of public-interest entities.