



NORNICKEL

TRUE EXTRACT

## EXTRACT

o f t h e m i n u t e s o f t h e i n - a b s e n t i a  
m e e t i n g

Board of Directors of PJSC MMC Norilsk Nickel (the Company)

*Moscow,  
1-iy Krasnogvardeyskiy pr., 15*

*15<sup>00</sup>*

**May 27, 2020**

**№GMK/14-pr-sd**

*As requested by Chairman of the Board of Directors of PJSC MMC Norilsk Nickel Gareth Peter Penny in his letter of May 21, 2019 No.GMK-117/091 the Board has voted on the agenda items in absentia.*

*Agenda items were reviewed by the management and recommended for approval by the Board of Directors.*

*Agenda items were reviewed and approved by Financial and Legal counsels.*

*Members of the Board of Directors have voted by filling in their personal ballots.*

*The following Directors have submitted their ballots by the deadline: **Abramov N.P., Barbashev S.V., Bashkirov A.V., Bratukhin S.B., Batekhin S.L., Zakharova M.A., G. Penny, R. Munnings, Volk S.N., Shvarts E.A., Solomin V.A, Poletaev M.V., R. Edwards.***

*The meeting is quorate.*

## A G E N D A :

- 6. Director independence validation of Board of Directors member Sergey Nikolaevich Volk.**

**Item 6. Director independence validation of Board of Directors member Sergey Nikolaevich Volk.**

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Having reviewed the issue in accordance with the Company's Articles of Association, paragraph 9.3.45, taking into account the independence qualification of the members of the Board of Directors, provided by the Corporate Governance, Nomination and Remuneration Committee,

**THE BOARD RESOLVED:**

Taking into account the reasons provided in the Annex 5 hereto, to recognize Sergey Nikolaevich Volk, a member of the Board of Directors, as an independent director, despite his nominal relation to the Company's contractor, as this relation does not affect his capability of making independent, objective and honest judgements.

**Resolution passed.**

*Votes: In favour – 12 (Abramov N.P., Barbashev S.V., Bashkirov A.V., Batekhin S.L., Zakharova M.A., R. Munnings, G. Penny, Bratukhin S.B., Poletaev M.V., Solomin V.A., Shvarts E.A., R. Edwards),*

*Against – none,*

*Abstained – 1 (Volk S.N.).*

**Chairman of the Board of Directors**

**SIGNATURE**

**Gareth Peter Penny**

**Corporate Secretary**

**SIGNATURE**

**P.E. Platov**

True extract.

**Corporate Secretary**



**P.E. Platov**

## **Reasoned justification for Sergey Volk being recognised as an independent member of the Board of Directors of MMC Norilsk Nickel (the "Company")**

The independence criteria for members of the issuer's board of directors (including criteria of affiliation with the issuer, any of the issuer's material shareholders, the issuer's material counterparties, the issuer's competitors, the government (the Russian Federation, a constituent entity of the Russian Federation) or a municipality) are set out in Annex 4 of the Moscow Exchange (the "Independence Criteria").

An assessment of the members of the Company's Board of Directors against the Independence Criteria reveals that Sergey Volk is affiliated with the Company's material counterparty PJSC Sberbank of Russia<sup>1</sup>, in which Sergey Volk holds a position of Senior Banker. Sergey Volk does not meet any other affiliation criteria as defined by the Listing Rules of the Moscow Exchange (affiliation with a material shareholder, a material competitor, the government, or a municipality).

MMC Norilsk Nickel sets high competency, reliability, and business ethics requirements and standards for its counterparties and works with recognised leaders of the financial market. Sberbank is the Company's long-standing partner that provides it with a full range of banking services. Their partnership is underpinned by stability and high professionalism of the Russian largest bank and does not rely on personal connections with members of governing bodies.

Sergey Volk has:

- qualifications, knowledge, and skills that fully meet the requirements applicable to independent directors under the Corporate Governance Code and the Listing Rules;
- the ability to effectively streamline interaction between the management and the Board of Directors, while maintaining an appropriate balance between common interests and diversity of opinions;
- an impeccable reputation testifying to his ability to form an independent opinion.

Since his election to the Board of Directors at the Annual General Meeting of Shareholders on 10 June 2019, Sergey Volk has demonstrated top-level engagement in dealing with matters referred to the Board of Directors, participated in all meetings of the Board of Directors, played an active role in the work of the Board of Directors relating to strategic management of the Company, effective oversight of executive bodies, and supervision of the risk management and internal controls.

Sergey Volk is a member of the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors. Deep knowledge of best corporate practices enables Sergey Volk to be active in discussing efforts to improve corporate governance and give critical assessments of proposed projects.

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<sup>1</sup> Liabilities under contracts between the Company and Sberbank exceed 2% of the book value of the Company's consolidated assets in 6M 2019 and the Company's revenue in 2018.

Sergey Volk previously served the Board of Directors as a member of the Budget Committee. The fact that Sergey Volk serves as Senior Banker at Sberbank proves that he has deep knowledge of finance, allowing him at the time to actively contribute to the budget process at MMC Norilsk Nickel along with progress reports on the Company's major investment projects.

Sergey Volk's responsible attitude to his duties as a member of the Board of Directors and a member of the Committees of the Board of Directors combined with his engagement in the work of these bodies prove that his formal affiliation with the Company's material counterparty does not affect his ability to take an independent position when voting on agenda items or make unbiased and fair judgements when discussing any matters at meetings.

The Corporate Governance, Nomination and Remuneration Committee has preliminarily reviewed the identified affiliation of Sergey Volk, a member of the Company's Board of Directors, and resolved to recommend the Company's Board of Directors to recognise Sergey Volk as an independent director.