



**NORNICKEL**

**APPROVED**

**by resolution of the Board of Directors  
of PJSC MMC Norilsk Nickel**

**Minutes No.GMK/32-pr-sd dated 26.11.2020**

**CODE OF CONDUCT AND ETHICS FOR MEMBERS OF  
THE BOARD OF DIRECTORS  
OF MMC NORILSK NICKEL**

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## **1. Objective**

The Board of Directors of MMC Norilsk Nickel (the "Board of Directors") is committed to complying with the highest standards of business conduct and professional ethics. As the Board of Directors believes that the integrity and good faith of its directors are critical for protecting the interests of MMC Norilsk Nickel (the "Company") and its shareholders, it has adopted this Code of Conduct and Ethics (the "Code").

The Code will help uphold high standards of ethics, integrity and accountability; it will inform the Board of Directors and each of its members about potential ethical risks and conflicts of interest, provide ethical guidance to directors, and define the methods for reporting identified and potential violations of ethical principles.

## **2. Scope**

The members of the Board of Directors shall comply with both the letter and spirit of this Code, which also applies to the directors who serve as the Company's employees.

While this Code provides guidance on how to behave in different situations, it shall not be viewed as a universal document that envisages all possible courses of action for directors in their official capacity. Instead, this Code sets out fundamental principles that all directors shall follow while also refraining from any kinds of inappropriate conduct.

If directors have any questions regarding the implementation of this Code, they shall address them through the Corporate Secretary to the Chair of the Corporate Governance, Nomination and Remuneration Committee of MMC Norilsk Nickel's Board of Directors (the "Corporate Governance, Nomination and Remuneration Committee") who may seek internal or external legal advice where necessary.

## **3. Our values**

The members of the Board of Directors shall act in line with the Company's main values, which include:

- RELIABILITY – the ability to address any challenges to ensure success for the business;
- RESPONSIBILITY – the desire to honour our commitments and take on responsibility for our decisions;
- EFFICIENCY – delivering against our targets in due time and at minimum cost;
- GROWTH – an effective production ramp-up and upgrade, the use of groundbreaking technologies and development of our people;
- PROFESSIONALISM – a sustainably strong performance;
- COLLABORATION – the ability and desire to achieve goals through teamwork.

These values underlie the way the Company identifies and manages economic, social and environmental risks and challenges, while demonstrating our commitment to sustainable development.

#### **4. Compliance with laws and regulations**

In pursuing their business and personal objectives, members of the Board of Directors shall fully comply with the spirit and letter of all applicable laws, regulations and corporate standards. Directors shall also encourage and use all reasonable efforts to ensure compliance of the Company's employees and other directors with all such laws, regulations and corporate standards.

#### **5. Conflicts of interest**

Members of the Board of Directors have a fiduciary responsibility to protect the Company's interests by refraining from transactions and relationships that may lead to a conflict of interest between them and the Company. Any situation that results or is likely to result in a conflict of interest shall be immediately reported to the Corporate Secretary and the Chair of the Board of Directors.

A conflict of interest occurs when the personal interests of a director are in conflict or may be in conflict with the Company's interests. Furthermore, a conflict may arise when the actions or interests of directors affect their ability to carry out their duties in an unbiased and effective way, or when directors use their official position to reap illegal benefits or provide such benefits to their close relatives.

If a director has a direct or indirect personal interest in a matter submitted for consideration by the Board of Directors, they shall inform the Board of Directors accordingly before the matter is considered or resolved and withdraw from any further discussions and voting on such matter. Personal interest may occur, among other things, in relation to commercial, industrial, banking, consulting, legal, accounting, charitable, and financial affairs.

This Code is not intended to provide an exhaustive list of all possible conflicts of interest. Instead, it focuses on the most common cases below that members of the Board of Directors must seek to avoid:

- **The Company's relations with third parties.** Directors shall not intentionally engage in any activities that are in conflict with the Company's interests or disrupt and affect the Company's existing or intended business or contractual relations with a legal entity or an individual. Directors shall not participate in any decisions made by the Board of Directors in relation to such affiliates of the directors.
- **A member of the Board of Directors representing a Company shareholder.** In certain cases, a member of the Board of Directors may also be an officer, director or employee of one of the Company's shareholders. In itself, this does not constitute a violation of this Code, but, if there is an obvious conflict of interest between the Company and such a shareholder, the director shall report the conflict of interest to the Board of Directors stating the nature of the financial or other interest in the decision taken in favour of such a shareholder and, where necessary, refrain from voting on the decision.
- **A member of the Board of Directors representing a Company creditor.** In certain cases, a member of the Board of Directors may also be an officer, director or employee of one of the Company's creditors. In itself, this does not constitute a

violation of this Code, but, if there is an obvious conflict of interest between the Company and such a creditor, the director shall report the conflict of interest to the Board of Directors stating the nature of the financial or other interest in the decision taken in favour of such a creditor and, where necessary, refrain from voting on the decision.

- **Gifts, entertainment, cash and other benefits.** Directors, their families and close relatives may not accept gifts from legal entities or individuals that have business relations with the Company if any such gift is intended to influence the course of action taken by members of the Board of Directors, or if the acceptance of such a gift may lead to a conflict of interest.
- **Use of the Company assets for personal benefit.** Directors may not use the Company's property, labour or information resources for personal benefit, unless it is allowed by compensation or expense reimbursement programmes that apply to all members of the Board of Directors.
- **Loans.** Directors, their families and close relatives may not receive loans from the Company.
- **Other entrepreneurial activities.** Directors may not engage in any entrepreneurial activities that pursue a personal interest by competing with the Company's business. Similarly, a director may not influence or attempt to influence any commercial transactions entered into by the Company and another legal entity in which such a director holds a direct or indirect interest.
- **Remuneration from external sources.** Members of the Board of Directors may not receive remuneration for their services to the Company from any external sources.
- **Holding a director's position in another company.** Holding a director's position in another company may lead to a conflict of interest. Members of the Board of Directors may not serve as directors in the firms of the Company's customers, suppliers or competitors without the prior consent of the Board of Directors. Furthermore, directors need the prior consent of the Board of Directors to serve as officers or members of the board of directors of non-profit organisations that have business relations with the Company or receive (or may receive) financial or other support from the Company.

All questions related to conflicts of interest shall be addressed through the Corporate Secretary to the Chair of the Corporate Governance, Nomination and Remuneration Committee.

## **6. Abuse of office**

The Company pursues a comprehensive anti-corruption policy that applies to every member of the Board of Directors.

Directors shall set ethical standards of irreconcilable opposition to all forms and instances of corruption across all levels by personal example.

Directors shall at all times protect the Company's interests in accordance with the applicable laws, corporate policies and this Code. Members of the Board of Directors may not:

- Use the Company's property, information resources or their official position for personal or professional benefit;
- Abuse their powers or benefit from (on their own behalf or on behalf of affiliated organisations) opportunities arising from the use of the Company's property and/or information resources as part of the Company's operating activities;
- Enter into direct or indirect competition with the Company to take advantage of opportunities considered by the Company. Competition with the Company may involve engaging in the same business activity as the Company, or any situation in which a director prevents the Company from selling or purchasing goods, services or interests. Should disinterested members of the Board of Directors resolve that the Company will not pursue a certain business opportunity, any director may benefit from such an opportunity directly or via third parties provided that all the relevant information disclosure requirements are met and such an action does not lead to a breach of the director's duty to protect the Company's interests in any other respect.

If there is any doubt with respect to the use of the Company's property or services, directors shall report their concerns to the Corporate Secretary and consult the Chair of the Corporate Governance, Nomination and Remuneration Committee.

## **7. Good faith and fair dealing**

Directors shall use all reasonable efforts to respect the rights of, and deal fairly with the Company's officers and employees, the public and each other in line with ethical business practices. Directors shall not unfairly take advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair business practice. Directors shall make sure that applicable good faith principles and procedures are complied with in the Company and are followed by the Company's employees, officers, and counterparties.

## **8. Insider trading**

Each director shall be subject to the provisions of laws and the Company's regulations on combating the unlawful use of insider information and market manipulation.

### **8.1. General restriction on trading in the Company's shares and other financial instruments**

In accordance with the laws for combating the illegal use of insider information and market manipulation, members of the Board of Directors are prohibited from:

- making transactions with the Company's financial instruments to which the insider information relates, on their own behalf or on behalf of third parties, whether

directly or indirectly, among other things by cancellation or change of transaction orders previously issued, excluding transactions resulting from the obligation to buy or sell financial instruments that has become due, if such an obligation has arisen from a transaction made before the insider information became known to the person;

- transferring insider information to a third party, except in cases where such information is transferred to a person included in the Company's List of Insiders in order to fulfil statutory prescriptions or to execute a contract;
- using insider information when recommending, obliging, or inducing third parties to make transactions with the Company's financial instruments or to cancel or change orders on the Company's financial instruments to which the insider information relates;
- taking steps related to market manipulation.

Directors shall ensure the security of insider information and prevent its inadvertent or accidental disclosure to any person who does not need to have that information on legal grounds.

## **8.2. Temporary restrictions on transactions with the Company's financial instruments**

As a way to prevent illegal transactions with the Company's financial instruments involving the use of insider information, directors are not allowed to enter into transactions with the Company's financial instruments on their own behalf or on behalf of third parties, whether directly or indirectly, during "blackout periods". The Corporate Secretary shall notify directors in a timely manner of "blackout periods".

## **8.3. Compliance with laws, reporting and other obligations**

Any director who is unsure about the requirements for transactions with the financial instruments of the Company or other issuers (for example, major counterparties or potential M&A participants) of which the director is aware as a Board member, shall inform the Corporate Secretary accordingly prior to entering into a transaction with the Company's financial instruments and consult the Chair of the Corporate Governance, Nomination and Remuneration Committee.

If a director becomes aware of a potential transaction with the Company's financial instruments involving the use of insider information, such a director shall notify the Corporate Secretary accordingly and consult the Chair of the Corporate Governance, Nomination and Remuneration Committee.

## **9. Confidentiality**

Directors shall act fairly and reasonably in the interest of the Company.

Members of the Board of Directors shall not:

- disclose or use confidential information for personal or third-party benefit or for the benefit of their affiliates;

- make copies of, or extracts from materials labelled as confidential, except as permitted by the Board of Directors or the terms of confidentiality agreements signed with directors;
- commit actions that may entail the disclosure of confidential information;
- pass on confidential information to the media;
- comment in public on the resolutions and results of meetings held by the Company's Board of Directors before the official publication of press releases of such meetings on the official website of the Company.

Confidential information shall mean:

information on persons, matters, facts, developments, events or processes that is restricted by law, and

other information that has been expressly designated by the Company as constituting non-disclosure information (commercial secret), which shall include information provided by the Company to a Board of Directors member in connection with the performance of his or her functions as a Board of Directors member and/or member of a Committee of the Board of Directors (if applicable), provided said information falls under any of the following criteria:

- paper-based written information labelled "Confidential" / "Commercial Secret" and provided to the Board of Directors member with acknowledgement of receipt;
- electronic information sent to the Board of Directors member by electronic mail to the address specified by the member for the reception of notifications about Board of Directors meetings or the meetings of a Board of Directors Committee, as well as information (materials) for such meetings, provided that each file and/or message so transmitted is marked with the label "Confidential" or "Commercial Secret" at its top;
- oral information presented at a Board of Directors meeting or a meeting of a Board of Directors Committee that the member of the Board of Directors attended, provided the confidential nature of the information was mentioned before the disclosure of the information, with the disclosure then reflected in the minutes of the meeting;
- the Company's insider information as per the List of Insider Information.

Confidential information shall not include:

- publicly available information (including, but not limited to any information in the public domain, published in print media or on the Internet, or stored in governmental or other widely accessible registers);
- information that is not restricted by the law and not designated by the Company as constituting non-disclosure information (commercial secret);
- information that may not be designated as constituting non-disclosure information (commercial secret) under the law;
- information required by a Board of Directors member in connection with any dispute or proceedings between the Company and the Board of Directors member.

Directors shall keep confidential any data (materials) containing classified information throughout their term as a director of the Company and for five (5) years after its termination.

When unsure about whether to treat the information as confidential, the director shall notify the Corporate Secretary accordingly and consult the Chair of the Corporate Governance, Nomination and Remuneration Committee.

#### **10. Protection and appropriate use of property**

Members of the Board of Directors shall ensure the protection and efficient and appropriate use of the Company's assets, including equipment, inventory, raw materials and intellectual property.

Directors may not use the Company's property, labour or information resources for personal tangible or intangible benefit. Prohibited use of the Company's property for personal advantage includes liquidation of the Company's assets for personal gain, unauthorised use of the Company's vehicles, or use of contractor services paid for by the Company to perform works at one's own home. Unauthorised copying of software, books and other items protected by the law also constitutes the illegal use of property and may result in financial and legal liability of the Company. All of the Company's property shall only be used in a lawful manner for the purpose of conducting the Company's business activities.

Members of the Board of Directors are prohibited from any actions involving theft, fraud, unauthorised disclosure of information, embezzlement or appropriation of any property, including loss, damage, or misuse of the Company's property. Directors shall be responsible for the safety of the Company's property under their control.

#### **11. Enforcement**

The Corporate Secretary shall make sure that Board members read and acknowledge this Code after their election to the Board of Directors.

Directors shall comply with the provisions hereof.

When unsure about the compliance of any particular deal or actions of the Board member with the provisions of this Code, the director shall notify the Corporate Secretary accordingly and consult the Chair of the Corporate Governance, Nomination and Remuneration Committee.

Directors shall promptly notify the Corporate Secretary of any violation of this Code committed by any member of the Board of Directors.

If a director violates this Code, such a violation shall be reviewed by the Corporate Governance, Nomination and Remuneration Committee to make recommendations to the Board of Directors on the imposition of sanctions.

The Corporate Governance, Nomination and Remuneration Committee shall monitor directors' compliance with this Code.

#### **12. Final provisions**

This Code shall be approved by the Board of Directors and published on the Company's official website and corporate portal.

All amendments to, or modifications of this Code shall be made based on a resolution of the Board of Directors.