

# INFORMATION ABOUT THE AUDITOR proposed as the Auditor of the IFRS Consolidated Financial Statements of PJSC “MMC “Norilsk Nickel”

JSC KPMG  
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## 1. Information about CJSC KPMG

Type of information	Information
Name	Joint Stock Company KPMG
Registration certificate	Certificate No 011.585 issued by the Moscow Registration Chamber on 25.05.1992, serial No Б3 No 000006
Legal address	Olympiyskiy prospect, 18/1-3035, office 3035, Moscow, 129110 Russian Federation
Postal address	Presnenskaya Naberezhnaya 10, Moscow, 123317, Russian Federation
Website	www.kpmg.ru
Branch offices	Ekaterinburg, Kazan, Krasnoyarsk, Novosibirsk, Nizhny Novgorod, Perm, Rostov-on-Don, St. Petersburg
Self-regulatory Auditor organization	JSC KPMG is a member of a Self-regulatory Organization Audit Chamber of Russia by resolution of the Council of Non-Profit Partnership Audit Chamber of Russia dd. 20.03.2002 and is registered under the No. 255 in the Register of Non-Profit Partnership Audit Chamber of Russia, and under the Principal Number of Registration Entry (PRNE) No. 10301000804 in State Register of Auditors and Audit Organizations

## 2. Norilsk Nickel and KPMG

KPMG has been the Auditor of the IFRS Consolidated Financial Statements of the Group since the issuance of the statements as of and for the year of 2009.

## 3. General information about KPMG

KPMG is a Big Four company, a global network of professional firms providing Audit, Tax, and Advisory services, operating in 155 countries and have more than 173,000 people working in member firms around the world. Our purpose and aspiration is to turn knowledge into value for the benefit of our clients, our people, and the world's capital markets.

For the fiscal year ended September 30, 2015 KPMG reported member firm combined revenues of US\$24.44 billion (versus US\$24.82 billion last year).

### *KPMG in Russia and CIS*

KPMG has been working in Russia for more than twenty years, and according to 2009-2015 ratings of Expert RA (Rating Agency) is the biggest audit firm within the Russia.

Our overriding principle 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 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.

KPMG is a member of the Audit Chamber of Russia.

#### **4. KPMG as the largest Audit firm in Russia**

KPMG renders audit for 29 out of 100 largest Russian companies according to the "Expert-400" rating (2015):

No.	Auditor	Number of companies
1	KPMG	29
2	EY	25
3	PwC	24,5
4	Deloitte	11
5	Other	10,5

KPMG renders audit for 4 out of 10 largest Russian metallurgical companies according to the "Expert-400" rating (2015):

No.	Company	Auditor
1	Evrax Group	EY
2	Norilsk Nickel	KPMG
3	NLMK	PwC
4	RUSAL	KPMG
5	Severstal	KPMG
6	MMK	PwC
7	UGMK	KPMG
8	Mechel	EY
9	Metalloinvest	PwC
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>	<p><b>Business tax</b></p> <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>• Global Tax Outsourcing</li> <li>• Legal Services</li> <li>• Staff Management and Taxation Services to Individuals</li> </ul>	<p><b>Deal Advisory</b></p> <ul style="list-style-type: none"> <li>• Corporate Finance</li> <li>• Restructuring</li> <li>• Transaction Services</li> </ul> <p><b>Risk Consulting</b></p> <ul style="list-style-type: none"> <li>• Financial Risk Management</li> <li>• Forensic</li> </ul> <p><b>Management Consulting</b></p> <ul style="list-style-type: none"> <li>• Business Performance Services</li> <li>• IT Advisory</li> <li>• Global Strategy Group</li> </ul>

## 6. Quality control

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 regular and thorough quality control audits of the services that we provide. The audits are performed by international KPMG audit practices. Member firms of the KPMG international network must demonstrate their adherence to high standards of quality of client service, 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 performed annually and 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 in Moscow has always prioritized quality control and risk management issues. At present, a Risk Management Partner and Principal concurrently 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.

KPMG is a member of the Non-Profit Partnership "Audit Chamber of Russia" (NP ACR) in accordance with the decision of the Council of the NP ACR dated 20 March 2002 and has registration number 255 in the register of NP ACR and the Primary Registration Number of the Entry in the State Register of Auditors and Audit Firms 10301000804.

In 2010 and 2013 KPMG received the opinion of the Audit Chamber of Russia based on the results of a review of the quality of the audit and compliance with professional ethics (No.159 dated 30 September 2010 and No.207 dated November 28 2013).

In 2014, 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.