

# REMUNERATION

The Board of Directors directly supervises the remuneration framework at Nornickel. The Corporate Governance, Nomination and Remuneration Committee of the Board of Directors is responsible for:

- developing the Remuneration Policy for Members of the Board of Directors, Members of the Management Board, and the President of Nornickel

- overseeing the implementation and execution of the Policy
- reviewing the Policy on a regular basis.

Nornickel does not issue loans to members of the Board of Directors and the Management Board but encourages them to invest in Nornickel shares.

Remuneration paid to members of Nornickel's governance bodies in 2021 totalled RUB 5.9 billion (USD 80 million)<sup>1</sup>.

## Directors' remuneration

The Board of Directors' annual remuneration is set out in the [Remuneration Policy](#). By resolution of the General Meeting of Shareholders, members of the Board of Directors are remunerated for their service on the Board of Directors and reimbursed for expenses incurred by them in performing their duties as Board members. Additional benefits for all Board members include liability insurance and reimbursement of losses incurred

in connection with their service on the Board of Directors. The Bank of Russia's Corporate Governance Code recommends that companies pay for their directors' liability insurance to be able to recover potential losses through the insurer. Apart from securing stronger commitment from directors, this insurance coverage encourages competent leaders to join the Board.

### Directors' remuneration in 2021

Type	2021	
	RUB mln	USD mln
Remuneration for serving on the Board of Directors and Board committees	301	4
Reimbursement	0.1	0.0007
Other	0	0
Total	301	4

<sup>1</sup> The amount of remuneration paid does not include the remuneration accrued but not yet paid as of 31 December 2021, as well as insurance premiums and voluntary health insurance (VHI) contributions. Adding the amounts above, remuneration of members of Nornickel's governance bodies for 2021 as per the 2021 consolidated IFRS financial statements totalled RUB 6.7 billion (USD 91 million).

### REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Remuneration of the Chairman of the Board of Directors differs from the remuneration payable to other non-executive directors, due to the Chairman's enhanced scope of expertise and responsibilities. Subject to a resolution of the General Meeting of Shareholders, the Chairman of the Board of Directors may be entitled to additional remuneration and benefits other than those set out in the Policy. Under the Policy, the annual base remuneration of the Chairman of the Board of Directors is USD 1 million. The Chairman of the Board of Directors is not entitled to any additional remuneration for serving on Board committees.

### REMUNERATION OF NON-EXECUTIVE DIRECTORS

All non-executive directors receive equal remuneration. The Policy sets forth the following annual remuneration for non-executive directors:

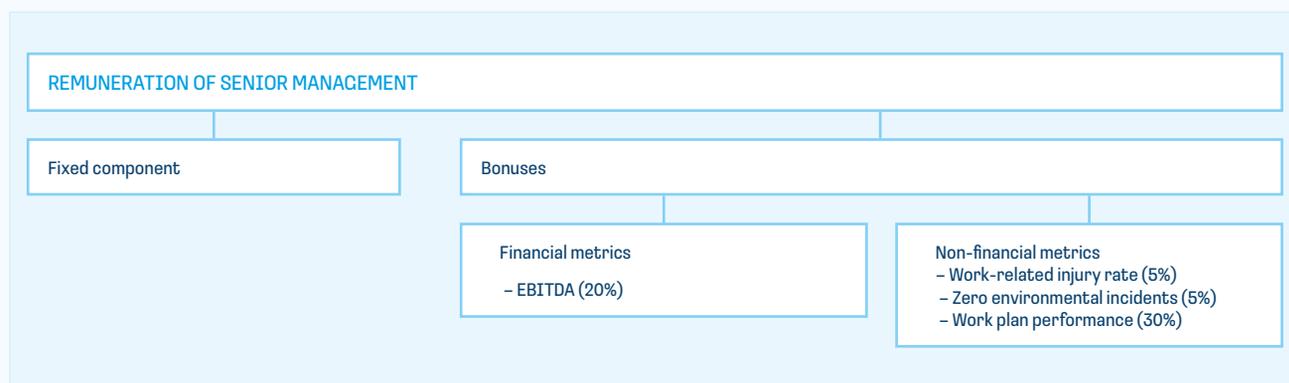
- Base remuneration of USD 120 thousand for Board membership
- Additional remuneration of USD 50 thousand for serving on a Board committee
- Additional remuneration of USD 150 thousand for chairing a Board committee

Non-executive directors are not eligible for any forms of short-term or long-term cash incentives, or non-cash remuneration, including shares (or share-based payments), share options (option agreements), or other non-cash rewards or benefits.

### REMUNERATION OF EXECUTIVE DIRECTORS

In line with the approved Policy, executive directors do not receive any additional remuneration for their service on the Board of Directors to avoid any potential conflict of interest.

# Management Board's remuneration



KPIs used to assess senior management's performance are aligned to Nornickel's strategic goals. In line with Nornickel's Articles of Association, the remuneration and reimbursement payable to the President and members of the Management Board are determined by the Board of Directors.

Remuneration payable to senior management is comprised of basic salary and bonuses. Bonuses are linked to Nornickel's performance, including both financial (EBITDA) and non-financial metrics (work-related injury rate, zero environmental incidents, and work plan). The variable component of the remuneration payable to members of the Management Board reflects key performance indicators, which

are annually updated by the Corporate Governance, Nomination and Remuneration Committee of the Board of Directors. The Board of Directors decides whether to pay the President a performance bonus for the reporting year. In 2021, the Zero Environmental Incidents metric was included in senior management's KPIs with a 5% weight (within all KPIs) and the target of Zero Emergency Incidents.

## Management Board's remuneration in 2021

Type	2021	
	RUB mln	USD mln
Remuneration for serving on a governance body	2	0.03
Salary	3,283	45
Bonuses	2,319	31
Other	0	0
Total	5,604	76