



**НОРНИКЕЛЬ**

**APPROVED**  
by the Board of Directors  
of PJSC MMC NORILSK NICKEL  
(Minutes No. GMK/10-pr-sd  
dated 9 April 2026)

**PJSC MMC NORILSK NICKEL's  
Internal Audit Policy**

Replaces: PJSC MMC NORILSK NICKEL's Internal Audit Policy approved by the Board of Directors (Minutes No. GMK/38-pr-sd dated 26 December 2022)  
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## **1. Scope and boundaries**

1.1. This Internal Audit Policy of PJSC MMC NORILSK NICKEL (the "Policy") defines the goals of internal audit ("IA") as well as the establishment and operation principles, objectives, roles, authority, requirements, and operational restrictions on IA at PJSC MMC NORILSK NICKEL (the "Company"), the method of establishing the IA function, IA's accountability at the Company, and the procedure for monitoring IA quality assurance and improvement.

1.2. The requirements of this Policy apply to employees of the Company and Business Units of the Norilsk Nickel Group ("NN BUs").

1.3. This Policy does not apply to internal audits of the Corporate Integrated Quality and Environmental Management System of PJSC MMC NORILSK NICKEL and the Occupational Health and Safety Management System of PJSC MMC NORILSK NICKEL – they are conducted in line with the requirements of relevant National Standards of the Russian Federation: GOST R ISO 9001-2015 Quality management systems – Requirements, GOST R ISO 14001-2016 Environmental management systems – Requirements with guidance for use, and GOST R ISO 45001-2020 Occupational health and safety management systems – Requirements with guidance for use.

1.4. The Policy is a foundational document that informs management decisions on IA at the Company and on the development of procedural documents ("PDs) on IA that detail the provisions of this Policy.

## **2. Purpose and objectives of IA**

2.1. The purpose of IA is to assist the Board of Directors and executive bodies of the Company in:

- protecting and enhancing the Company's value and achieving its goals;
- improving governance, risk management, and internal control processes;
- enhancing the Company's reputation and credibility with its stakeholders;
- improving the Company's ability to serve the public interest.

2.2. To support this purpose, the Company's Internal Audit Department addresses the following objectives:

- conducting objective, independent audits, providing advice, sharing insights, and making recommendations;
- assessing the reliability and effectiveness of the corporate risk management system ("CRMS") and internal control system ("ICS") and providing recommendations on their improvement in line with the principles and approaches outlined in the Company's internal documents and Russian legal and regulatory requirements applicable to the Company.

## **3. Key principles for the establishment and operation of the IA function**

3.1. The Company's organisational unit, the Internal Audit Department (the "IAD"), led by the IAD Head, is responsible for organising and conducting IA activity at the Company.

3.2. To avoid conflicts of interest and maintain objectivity and independence, the IAD Head functionally reports to the Company's Board of Directors through the Audit Committee of PJSC MMC NORILSK NICKEL's Board of Directors ("BDAC") and administratively reports to the Company's President.

3.3. The IAD Head cannot be tasked with any duties not related to the Company's IA, including duties that would require management-level decision making on audit subjects.

3.4. The key principles for the establishment and operation of the IA function at the Company include:

- focusing IA activities on improving the Company's operations;
- aligning IA activity with the Company's strategy and goals;
- using a risk-based approach;
- maintaining a proper status and necessary resources to fulfil the IA mandate;
- building strong relationships with stakeholders;
- maintaining the objectivity and independence of the IAD and its employees;
- ensuring high professionalism and competencies, proactive approach, and integrity of IAD employees, and continuous development and improvement of skills;
- ensuring that IA activities and their results are based on reasonable assurance;<sup>1</sup>
- conducting IAD activities in accordance with generally accepted IA standards (requirements of the Preliminary National Standard of the Russian Federation Guidelines for Establishing an Internal Audit Function and the International Standards for the Professional Practice of Internal Auditing).

#### **4. Roles of Policy stakeholders**

4.1. The Board of Directors of PJSC MMC NORILSK NICKEL performs the following roles:

4.1.1. Determines the principles and approaches to establishing the IA function at the Company, and approves this Policy and Regulations on the Internal Control Department.

4.1.2. Approves the IAD activity plan and budget for the reporting period.

4.1.3. Makes decisions on the appointment (dismissal) of the IAD Head, approves the terms of their employment contract.

4.1.4. Reviews the IAD's performance reports for the reporting period at least once a year.

4.1.5. Reviews material restrictions on the IA function's authority or any other

<sup>1</sup> Reasonable (not absolute) assurance is achieved through gathering sufficient, appropriate audit evidence to reduce audit risk (i.e. the risk that the auditor expresses an inappropriate audit opinion) to an acceptable level. However, due to the inherent nature of a number of restrictions, the IAD cannot provide absolute assurance that, for instance, uncontrollable events, errors, inaccuracies, including those resulting from the auditor being misled, or other non-routine incidents will never occur.

restrictions that may impair its ability to carry out IA responsibilities (including restrictions on resources, scope of engagements, authority, etc.).

4.1.6. Reviews findings from reliability and effectiveness assessments of risk management and internal control at the Company.

4.2. The BDAC performs the following roles:

4.2.1. Ensures the independence and objectivity of the IA function at the Company.

4.2.2. Prepares recommendations on amendments and additions to the Company's statutory documents and PDs governing the IAD's activities.

4.2.3. Reviews the appointment and dismissal of the IAD Head and the terms of their contract.

4.2.4. Reviews the IAD's performance reports, its engagement findings, findings from its reliability and effectiveness assessments of risk management and internal control, and progress of actions to address identified deficiencies.

4.2.5. Reviews the existing restrictions on the IA function's authority or operating resources that may impair its ability to effectively carry out its role.

4.2.6. Holds periodic meetings with the IAD Head at which members of the Company's management are not in attendance.

4.2.7. Reviews and approves, at least annually, the key performance indicators of the IAD Head and their actual achievement.

4.2.8. Evaluates the IA function's performance at the Company.

4.3. The President of the Company performs the following roles:

4.3.1. Reviews the IAD's performance reports.

4.3.2. Following a relevant decision of the Company's Board of Directors, issues an order to appoint or dismiss the IAD Head as per the procedure established by applicable Russian labour laws.

4.3.3. Reviews findings from reliability and effectiveness assessments of the Company's CRMS and ICS.

4.3.4. Ensures that the IA function obtains sufficient resources to fulfil the IA mandate and achieve the IA Activity Plan.

4.3.5. Ensures that the IAD Head and IAD employees have unrestricted access to the data, records, information, Company personnel, and Company property necessary for the IA function to carry out its role.<sup>2</sup>

4.4. The IAD performs the following roles:

4.4.1. Develops the IAD's Activity Plan for the reporting period, including the preparation of the IAD's risk-based internal audit plan that prioritises audit areas and

<sup>2</sup> With respect to NN BUs, the sole executive body of the relevant NN BU ensures that internal auditors have unrestricted access to the NN BU's data, records, information, personnel, and property necessary to perform their duties in accordance with the Procedure for Interaction Between PJSC MMC NORILSK NICKEL Units and Norilsk Nickel Group Business Units During Internal Audits.

subjects by risk level.

4.4.2. Organises and conducts internal audits in line with the IAD's approved audit plan as well as unscheduled audits (as necessary), involving, where necessary, employees from other organisational units of the Company and external experts as per the established procedure.

4.4.3. Organises and conducts reliability and effectiveness assessments of the CRMS at the Company and NN BUs.

4.4.4. Organises and conducts reliability and effectiveness assessments of the ICS at the Company and NN BUs.

4.4.5. Prepares opinions on findings from reliability and effectiveness assessments of risk management and internal control at the Company and NN BUs. IA opinion is reviewed by the Board of Directors and the President of the Company annually, within the timeframe outlined in its executive documents (EDs), but no later than the date when the relevant information (materials) is to be provided to shareholders in preparation for the Annual General Meeting of Shareholders. The IAD Head is responsible for preparing an opinion on the reliability and effectiveness of the CRMS and ICS at the Company, including the reliability and credibility of the information on which it is based.

4.4.6. Conducts other audits within its remit at the request of the Board of Directors, committees of the Board of Directors, or executive bodies of the Company.

4.4.7. Identifies areas for improvement as well as develops and provides recommendations to improve operations and enhance the CRMS, ICS, and governance processes to the Board of Directors and executive bodies of the Company, Company units, and NN BUs.

4.4.8. Monitors the implementation of action plans resulting from audits and addressing deficiencies and issues as well as improving the CRMS, ICS, and governance processes.

4.4.9. Collects and organises information across the types of action taken to address deficiencies and issues, improve the CRMS, ICS, and governance processes, as well as on their delivery timeliness.

4.4.10. Provides advisory services to the Company's Board of Directors, Board committees, and executive bodies subject to the principles of independence and objectivity which imply that the IAD should not take on management responsibilities. Advisory services include counsel and advice, the nature and scope of which are agreed with the party receiving such services and aimed at providing assistance and improving governance processes, the CRMS, and the ICS without internal auditors assuming management responsibilities. Advisory engagement objectives, scope, boundaries, and responsibilities are to be documented as per the established procedure.

4.4.11. Develops and implements, via the IAD Head, an IA Quality Assurance and Improvement Programme covering all types of IA activities (the "Programme").

4.4.12. Prepares the IAD's performance report submitted to the Board of Directors (through the BDAC) and the President of the Company at the established frequency, but at least once a year. The report includes the following information:

- the need to amend the Company's Internal Audit Policy and the Regulations on the IAD;
- confirmation that the IA function is organisationally independent and there is no evidence suggesting that its independence and objectivity are impaired;
- information on the restrictions (or absence thereof) on the required scope of information or resources as well as other circumstances that may impair the IA function's ability to carry out its responsibilities;
- the results of implementing the Programme, including information on compliance with the Preliminary National Standard of the Russian Federation Guidelines for Establishing an Internal Audit Function, the International Standards for the Professional Practice of Internal Auditing, and the quality assurance plan covering all material aspects of IA activities;
- the IAD's Activity Plan and resource plan as well as information on significant changes to the Activity Plan during the reporting period, submitted for approval;
- the results of implementing the IAD's Activity Plan, including:
  - a) the findings of individual audit engagements, the results and progress of actions to address identified deficiencies, and information on the response of the Company's executive bodies to accepted risk that, in the IAD Head's judgement, may be unacceptable to the Company;
  - b) an opinion on the reliability and effectiveness of the Company's CRMS and ICS;
  - c) a report on the implementation of other activities included in the IAD's Activity Plan.

4.4.13. Within the IAD's remit and authority, prepares information to be included in the Company's Annual Report, Sustainability Report, and issuer report.

4.4.14. Develops and updates PDs governing IA processes and reporting.

4.4.15. Engages with the Company's external auditor as well as other parties that perform audits and provide advisory services on the CRMS and ICS, including as part of developing an Assurance Map.

4.4.16. Participates in the activities of audit bodies at Russian Business Units of the Norilsk Nickel Group ("NN RBUs") in line with the articles of association of respective NN RBUs and the internal regulations governing the activities of audit commissions at NN RBUs.

4.4.17. Reports identified issues to initiate audits and internal investigations.

## **5. Procedure for monitoring internal audit quality assurance and improvement**

5.1. The IAD Head has developed and is implementing an IA Quality Assurance and Improvement Programme.

5.2. The Programme provides for ongoing monitoring and periodic internal and external evaluations of the IAD's performance to maintain the high standards of IA activity at the Company, in accordance with the Preliminary National Standard of the

Russian Federation Guidelines for Establishing an Internal Audit Function and the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

5.3. External performance evaluations of the Company's IA are conducted by an independent qualified expert at least once every five years. Evaluations can be more frequent if so decided by the Board of Directors.

5.4. The independent qualified expert submits the external quality evaluation findings to the BDAC.

5.5. The BDAC reviews and approves action plans to address identified deficiencies and opportunities for improvement (where applicable) and tracks progress on these plans.

## **6. Key powers of the IAD Head and employees**

6.1. The IAD Head may:

6.1.1. Request and receive from the Company's units and external organisations any materials and information (subject to compliance with Russian legal requirements) required to perform their job duties.

6.1.2. Bring to the attention of the Company's Board of Directors, Board committees, Management Board, and President proposals to improve existing systems, processes, standards, and business practices.

6.1.3. Submit proposals to upper management to improve the IAD's performance and introduce incentives for, or start disciplinary proceedings against, IAD employees.

6.1.4. Initiate meetings of the Company's Board of Directors, including the ability to directly access the Company's Board of Directors and the BDAC regarding IA activities.

6.1.5. Participate in meetings of the Company's Board of Directors and Board committees as well as meetings of the Company's executive bodies.

6.1.6. If necessary, initiate consultations, expert reviews, etc. involving experts from other organisations as per the established procedure.

6.1.7. Exercise power of attorney to represent the Company before external organisations.

6.1.8. Initiate amendments and additions to the Company's existing EDs and regulatory documents ("RDs") as well as business process descriptions approved in the automated system for managing the Corporate Process Model and initiate the development of new EDs and RDs.

6.2. IAD employees may:<sup>3</sup>

6.2.1. Request and obtain access (subject to compliance with Russian legal requirements) to the records, accounting records, information resources, minutes of meetings of the Company's collective bodies, and other information necessary to

<sup>3</sup> The rights and duties of IAD employees are also outlined in their job descriptions approved by the IAD Head.

perform their duties from corporate officers of the Company and NN BUs.

6.2.2. Obtain access to information resources, premises, production facilities, and construction sites of the Company and NN BUs during audits (subject to compliance with Russian legal requirements).

6.2.3. As part of audits, conduct interviews with corporate officers of the Company and NN BUs and ask employees questions for audit purposes.

6.2.4. Make photo and video recordings of the Company's business activities during audits.

6.3. To maintain independence and objectivity, the IAD's authority is limited as follows:

- the IAD Head and IAD employees must refrain from assessing the activities for which they had responsibility within the previous 12 months;
- the IAD must refrain from participating in audit engagements and other assignments in case of financial, material, family-related, or any other interest in the audited entities, or lack of professional scepticism.

**Abbreviations**

IAD, Department	Internal Audit Department of PJSC MMC NORILSK NICKEL
Assurance Map	An internal document of the IAD that visually depicts the overall provision of assurance for each category of significant risks identified and the respective sources (providers) of assurance
Company	PJSC MMC NORILSK NICKEL
BDAC	The Audit Committee of the Board of Directors of PJSC MMC NORILSK NICKEL
CRMS	Corporate risk management system
PD	Procedural document
NN BUs	Business Units of the Norilsk Nickel Group
Programme	Internal Audit Quality Assurance and Improvement Programme
ED	Executive document
RD	Regulatory document (PD/SD)
NN RBUs	Russian Business Units of the Norilsk Nickel Group
ICS	Internal control system

## Terms

<b>Audit risk</b>	Risk associated with poor audit quality or inappropriate audit opinions, a reputational risk
<b>Internal auditing</b>	An independent, objective assurance and consulting activity designed to improve an organisation's operations and help it effectively achieve its goals by bringing a systematic, disciplined, risk-based approach to evaluate and improve the effectiveness of governance, risk management, and internal control processes
<b>Corporate risk management system</b>	<p>A systematic process of identifying, assessing, and addressing risks based on the risk management infrastructure and uniform principles, carried out across the Company's operations and organisational levels to:</p> <ul style="list-style-type: none"> <li>- increase the likelihood of achieving the Company's goals;</li> <li>- improve resource allocation;</li> <li>- boost the Company's investment case and shareholder value</li> </ul>
<b>Independence of internal audit</b>	Freedom from conditions that threaten the ability of the Internal Audit Department to carry out its responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit function, the IAD Head administratively reports to the Company's President and functionally reports to the Company's Board of Directors through the Audit Committee of PJSC MMC NORILSK NICKEL's Board of Directors
<b>Objectivity of internal audit</b>	An unbiased mental attitude that allows internal auditors to make professional judgements, fulfil their responsibilities, and achieve the purpose of internal auditing without compromise
<b>Governance</b>	The combination of processes and structures implemented to inform, manage, and monitor the activities of the organisation towards the achievement of its objectives
<b>Internal control system</b>	<p>The combination of organisational measures, policies and guidelines, controls, corporate culture standards, and actions taken by internal control stakeholders to provide reasonable assurance that the following will be achieved:</p> <ul style="list-style-type: none"> <li>- operational effectiveness and efficiency;</li> </ul>

- reliability and validity of the Company's corporate financial and management reporting;
- compliance with legal requirements and the Company's internal documents