

2018 milestoneJune
2018

The General Meeting of Shareholders, following the recommendation of the Board of Directors, approved JSC KPMG as the Company's auditor for RAS and IFRS 2018 accounts.

INDEPENDENT AUDIT

The Company has approved the Procedure to Select an Auditor for MMC Norilsk Nickel's RAS and IFRS Financial Statements, which requires first to establish a tender commission to produce a list of auditors who perform best in the Russian market of audit services. The auditor whose conditions are recognised to be the best following the procedure, is recommended to the Audit and Sustainable Development Committee which, in its turn, assesses the candidate for an independent auditor and provides recommendations to the Board of Directors. Under applicable laws and Clause 7.1.9 of the Company's Charter, the auditor shall be approved by an Annual General Meeting of Shareholders.

KPMG also provides non-audit tax and advisory services to Nornickel. To avoid a conflict of interest, KPMG has a policy regulating the services that can be provided to its clients. The policy ensures compliance with IESBA requirements, the Russian Rules for the Independence of Auditors and Audit Organisations, and other applicable requirements. In 2018, the share of non-audit services rendered to the Company stood at 55% of the total fee.

In 2018:

The auditor's fee of MMC Norilsk Nickel amounted to

USD 3.5 mln

The share of non-audit services rendered to the Company accounted for

55%
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The auditor receives a fixed fee as determined in the technical and business proposal that sets out the audit procedure for all material audited facilities and calculates the labour input and travel expenses required to conduct the audit, based on the qualifications and hourly rates of experts engaged. In 2018, the auditor's fee of MMC Norilsk Nickel amounted to USD 3.5 mln¹, including overhead charges.

¹ The auditor's fee includes VAT (18%).

Auditor's fee for 2018

Service type	Fee	
	RUB mln	USD mln
Audit of consolidated IFRS financial statements for 2018	67.7	1.1
Audit of RAS financial statements for 2018	10.7	0.2
Review of interim IFRS financial statements for 6M 2018	17.3	0.3
Non-audit services	117.8	1.9
Total	213.5	3.5