

Credit ratings

On 29 January 2018, Moody's upgraded Nornickel's credit rating to Baa3 (investment grade) and raised its outlook from stable to positive following an increase in Russia's country ceilings for foreign currency debt to the same Baa3 level and a change in the outlook on Russia's rating from stable to positive.

On 30 November 2018, Nornickel received the highest creditworthiness rating according to the Russian national scale (ruAAA, outlook stable) from the RAEX (Expert RA) rating agency.

On 12 February 2019, Moody's upgraded Nornickel's credit rating to Baa2, outlook stable, following an increase in Russia's country ceilings for foreign currency debt to the same Baa2 level and an upgrade in Russia's sovereign credit rating to Baa3 (investment grade), outlook stable.

As at the year-end, the Company boasted investment grade credit ratings from the three leading international rating agencies and the Russian RAEX:

Fitch	BBB- Stable
Standard & Poor's	BBB- Stable
Moody's	Baa3 Positive
Expert RA	ruAAA Stable

DIVIDEND POLICY

MMC Norilsk Nickel's Dividend Policy aims to balance the interests of the Company and its shareholders, enhance the Company's investment case and market capitalisation, and ensure respect of shareholder rights.

The Company has put in place the Regulations on the Dividend Policy to ensure transparency on how dividends are calculated and paid out.

When calculating dividends, MMC Norilsk Nickel factors in the cyclical nature of the metals market and the need to maintain a high level of creditworthiness. As a result, the amount of dividends may change depending on the Company's operating profit and leverage.

The decision to pay dividends is made by the General Meeting of Shareholders based on recommendations of the Board of Directors. The General Meeting of Shareholders determines the dividend amount and record date, which, as per the Russian law, shall be set not earlier than 10 days before and not later than 20 days after the General Meeting of Shareholders.

Dividends to a nominee shareholder listed on the shareholder register shall be paid within 10 business days, while dividends to other persons listed on the shareholder register shall be paid within 25 business days after the record date.

Dividend report

Individuals/entities whose rights to shares are recorded in the shareholder register are paid dividends by Independent Registrar Company upon Nornickel's instruction.

Individuals/entities whose rights to shares are recorded by a nominee shareholder are paid dividends via their nominee shareholder.

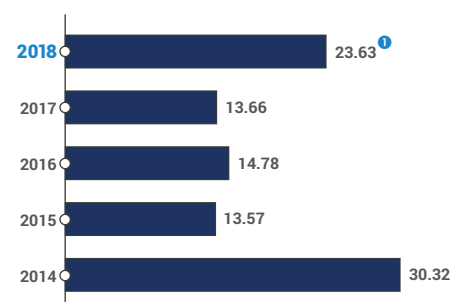
In accordance with Clause 9 of Article 42 of Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, any person who has not received the declared dividends due to the fact that their accurate address or banking details were not available to the company or the registrar as required, or due to any

other delays on the part of the creditor, may request payment of such dividends (unpaid dividends) during the period of three years from the date of the resolution to pay the same.

On 26 April 2019, the Company's Board of Directors recommended that the General Meeting of Shareholders approve dividends for FY 2018 in the amount of

USD 792.52
(USD 12.25)

Declared dividends per share (USD)



¹ Based on the total amount of dividends for 2018 recommended by the Board of Directors for approval by the General Meeting of shareholders. Declared dividends based on the Bank of Russia's exchange rate as at the date of the Board of Directors' meeting.

Dividend history²

Period	Declared dividends		Dividend per share/ADR ³	
	RUB mln	USD mln	RUB	USD
Total for 2018	248,214	3,739	1,569	23.63
FY2018 ⁴	125,413	1,939	793	12.25
6M 2018	122,802	1,800	776	11.37
Total for 2017	131,689	2,162	832	13.66
FY2017	96,210	1,562	608	9.87
6M 2017	35,479	600	224	3.79
Total for 2016	140,894	2,339	890	14.78
FY2016	70,593	1,239	446	7.83
9M 2016	70,301	1,100	444	6.95
Total for 2015	135,642	2,148	857	13.57
FY2015	36,419	548	230	3.46
9M 2015	50,947	800	322	5.06
6M 2015	48,276	800	305	5.06
Total for 2014	226,668	4,798	1,432	30.32
FY2014	106,031	2,018	670	12.75
9M 2014	120,637	2,780	762	17.57

² For dividend history covering earlier periods, please see our website.

³ Calculated at the Bank of Russia's exchange rate as at the date of the Board of Directors' meeting.

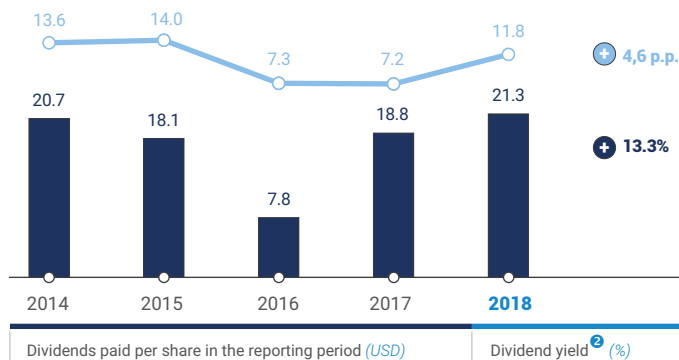
⁴ On 26 April 2019, the Company's Board of Directors recommended that the General Meeting of Shareholders approve dividends for 2018.

Over the last five years, Nornickel has been developing its Tier 1 assets and providing a consistently high dividend yield to its shareholders. We expect the trend to continue.

Dividends paid

Year ¹	Dividend amount	
	RUB mln	USD mln
2018	218,873	3,369
2017	176,246	2,971
2016	86,712	1,232
2015	154,227	2,859
2014	159,914	3,281

Dividend yield



¹ Dividends paid during the periods, excluding payouts on treasury stock.

² Dividend yield for the periods calculated based on the amount of dividends for the calendar year recommended by the Board of Directors and on the average ADR price according to Bloomberg.

Taxation

Income from securities is taxable pursuant to the applicable tax laws of the Russian Federation³.



Chapter 23 (Personal Income Tax) and Chapter 25 (Corporate Income Tax) of the Russian Tax Code.

Reduced tax rates or exemptions may apply to individuals and foreign entities who are not tax residents of Russia pursuant to international double tax treaties.

Starting from 1 January 2017, in order to apply for tax benefits under international double tax treaties, foreign organisations must confirm their permanent residence in a state which has a double tax treaty signed with Russia, and also provide the income paying tax agent with a document confirming the right of the organisation to receive such income

(Clause 1, Article 312 of the Russian Tax Code).

Should the organisation fail to provide such confirmation by the date of the payout, the Russian tax agent shall withhold the tax at the standard rates stipulated by Clauses 2 and 3, Article 284 of the Russian Tax Code.

Tax treatment of income from securities (%)

Item	Income from securities transactions	Interest income on securities	Dividend income on securities
Individuals			
Residents	13 ⁴	13	13
Non-residents	30 ⁵	30	15
Legal entities			
Russian companies	20 ⁴	20	13 ⁶
Non-resident companies	20 ⁷	20	15

³ Chapter 23 (Personal Income Tax) and Chapter 25 (Corporate Income Tax) of the Russian Tax Code.

⁴ Or 0%, if shares (interests) of Russian entities acquired on or after 1 January 2011 are sold, provided that as at the date of their sale the shares (interests) have been owned for over five years and subject to (in respect of shares) one of the conditions stipulated by Clause 2, Article 284.2 of the Russian Tax Code. The condition of being acquired on or after 1 January 2011 does not apply to shares (interests) sold on or after 27 November 2018.

⁵ If shares or other securities are sold in Russia.

⁶ Or 0%, if as at the date of the dividend payout resolution a Russian entity has been owning an interest of 50% (and more) in the authorised capital of the entity paying dividends, for 365 days (and more).

⁷ Provided the income is classified as income of a foreign entity from sources in the Russian Federation in accordance with Clause 1, Article 309 of the Russian Tax Code.

Dividend tax formula^⑥

$$AT = P \times TR \times (D1 - D2)$$

where:

AT – amount of tax to be withheld from the income of the recipient of dividends;

P – proportion of the dividend amount payable to one recipient to the total dividend amount to be distributed;

TR – tax rate for Russian entities (0% or 13%);

D1 – dividend amount to be distributed among all recipients;

D2 – dividend amount received^⑦ by the entity paying dividends, provided that previously these amounts were not included in the taxable income.

^⑥ The formula is not applicable to dividends paid to foreign entities and/or individuals who are not tax residents of Russia.

^⑦ Excluding the dividend amount eligible for a zero tax rate pursuant to Subclause 1, Clause 3, Article 284 of the Russian Tax Code.

SHAREHOLDER RIGHTS

All shareholders, including minority and institutional shareholders, enjoy equal rights and treatment in their relations with the Company, in particular the rights to:

- participate in General Meetings of Shareholders and vote on all items within its competence, unless otherwise provided for by Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995;
- receive dividends should the General Meeting of Shareholders pass the relevant resolution;
- receive part of the Company's property in case of its liquidation;
- have access to information about the Company's operations.

The Company has the Regulations on the General Meeting of Shareholders in place that set forth procedures to convene, prepare and conduct its general meetings.

The Annual General Meeting of Shareholders is held on an annual basis not earlier than three months before and not later than six months after the end of the financial year. General meetings other than Annual General Meetings of Shareholders are defined as Extraordinary General Meetings of Shareholders and are convened as per resolution of the Board of Directors at their discretion or at the request of the Audit Commission, the Company's auditor, or shareholders who own at least 10% of the Company's voting shares as at the date of the request.

The notice of a General Meeting of Shareholders is published in the Rossiyskaya Gazeta and Taimyr newspapers and posted on the Company's website not later than 30 days prior to the date of the general meeting. If a general meeting is conducted in the form of absentee voting (by ballot), the notice is given in the above mentioned newspapers at least 30 days prior to the deadline set for the collection of ballot sheets.



For more details on the Regulations on the General Meeting of Shareholders, please see the Investor Relations section on the Company's corporate website at [https://www.nornickel.com/files/en/corporate_documents/constituent_documents/Regulations-AGM-2014\(1\).pdf](https://www.nornickel.com/files/en/corporate_documents/constituent_documents/Regulations-AGM-2014(1).pdf)

Holders of MMC Norilsk Nickel's shares who are registered in the shareholder register receive a ballot from the Company and are entitled to exercise their voting right by sending the ballot sheet to the Company or by attending the General Meeting of Shareholders (in person or by proxy).

Shareholders of MMC Norilsk Nickel who own the Company's shares via nominal holders receive the voting ballot from the nominal holder. They are entitled to vote at the meeting in the same way as the holders registered in the shareholder register (see the paragraph above) or instruct the nominal holder to do the same as prescribed by the Russian