

**REPORT BY THE BOARD OF DIR\_\_\_\_\_**  
**MMC NORILSK NICKEL PJSC**  
**outlining a reasoned position statement from the Company's Board of Directors**  
**on the agenda for the Extraordinary General Meeting at the Company**  
**to be held on December 16th, 2019**

**Payment (declaration) of dividends on shares in MMC Norilsk Nickel PJSC for nine months of 2019**

Recommendations:

The Board of Directors recommends that the Extraordinary General Meeting declare dividends on ordinary nominal shares in MMC Norilsk Nickel PJSC for the nine months of 2019 to be RUB 604,09 per ordinary share, and that the dividends be paid out in cash.

The Board of Directors proposes that the Extraordinary General Meeting set December 27th, 2019 as the date for determining which persons are entitled to receive the dividends.

For reference, (in accordance with the RAS accounting statements from MMC Norilsk Nickel PJSC, as of September 30th, 2019):

	<i>RUB mln</i>
The retained profit as of September 30th, 2019 <sup>1</sup> that may be used for dividend payments	270 727

The retained profit allocated for current dividend payments: RUB 95 595 mln.

Position taken by the Board of Directors:

The Board of Directors has examined the production and financial performance of MMC Norilsk Nickel PJSC for the nine months of 2019, its current financial position, its investment programs, and the priorities for future production and social development projects by MMC Norilsk Nickel PJSC.

Following this review, the Board of Directors believes that MMC Norilsk Nickel PJSC can pay out (declare) dividends for the nine months of 2019.

The conditions at MMC Norilsk Nickel PJSC are favorable enough to declare dividends on the Company's shares for the nine months of 2019, and pay out those dividends as per Article 43 in the Federal Law "On Joint-Stock Companies", taking into account the expectation that on the day the decision is made to pay out the dividends, and on the day of those dividends are paid out:

- MMC Norilsk Nickel PJSC does not meet the insolvency (bankruptcy) criteria in accordance with Russian Federation insolvency (bankruptcy) laws, and does not meet these criteria after the dividend payments are made
- the value of the net assets held by MMC Norilsk Nickel PJSC is not less than its authorized capital and reserve funds, and does not become less than their value after the dividend payments are made (as of September 30th, 2019, the net assets of MMC Norilsk Nickel PJSC amount to a total of RUB 319 128 mln, and exceed its authorized capital and reserve funds by a total of RUB 318 946 mln).

Therefore, the Board of Directors does not expect the declaration and payment of dividends on ordinary shares for the nine months of 2019 to have a negative impact on the strategic potential possessed by MMC Norilsk Nickel PJSC over the long term.

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<sup>1</sup> retained earnings as of 30/09/2019 less dividends declared for H1 2019 in the amount of RUB 139,878 mln.