

**REPORT OF THE BOARD OF DIRECTORS
PJSC MMC NORILSK NICKEL**
**including a reasoned viewpoint of the Company's Board of Directors
on agenda item of the Extraordinary General Meeting of the Shareholders of the
Company**
To be held on September 26, 2019

Payment (declaration) of dividends on shares of PJSC MMC Norilsk Nickel for the first half of 2019.

Recommendations:

The Board of Directors recommends to the extraordinary general shareholders' meeting to declare dividends on ordinary registered shares of PJSC MMC Norilsk Nickel based on the results for the first half of 2019 in the amount RUB 883,93 per ordinary share.
Dividend payments shall be carried out in cash.

Reference (according to RAS-compliant accounting statements of PJSC MMC Norilsk Nickel as of 30.06.2019):

	<i>RUB million</i>
Retained earnings as of 30.06.2019, which can be used to pay dividends	222 958
<i>including:</i>	
Net profit in 6 months 2019	201 856

The amount of net profit allocated for the current dividend payment is RUB 139 878 mln.

Opinion of the Board of Directors:

The Board of Directors analyzed the production and financial results of PJSC MMC Norilsk Nickel for the first half of 2019, the current financial position, investment program, prioritized directions of the production and social development of PJSC MMC Norilsk Nickel in the future. Upon analyzing the provided information, the Board of Directors believes that PJSC MMC Norilsk Nickel can pay (declare) dividends based on the results for the first half of 2019.

PJSC MMC Norilsk Nickel meets the conditions to declare dividends on the shares of the Company for the first half of 2019 and pay dividends in accordance with Article 43 of the Federal Law 'On Joint Stock Companies' with the expectation that on the day of the resolution to pay dividends and at the date of dividends payment:

- PJSC MMC Norilsk Nickel does not show any signs of insolvency (bankruptcy) in accordance with applicable laws on insolvency (bankruptcy) of the Russian Federation and will not acquire the signs as a result of the dividend payment;
- the cost of net assets of PJSC MMC Norilsk Nickel will not fall below the value of its authorized capital and reserve fund and will not fall below their value as a result of the dividend payment (as of 30.06.2019, the cost of net assets of PJSC MMC Norilsk Nickel amounted to RUB 271 349 mln. and exceeded its authorized capital and reserve fund by RUB 271 167 mln.).

Thus, the Board of Directors does not expect that declaration and payment of dividends for ordinary shares based on the results of the first half of 2019 will have a negative effect on the strategic potential of PJSC MMC Norilsk Nickel in the longer term.