

**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 29, 2017**

**Payment (declaration) of dividends on shares of PJSC MMC Norilsk Nickel for the first half of 2017.**

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 2017 in the amount RUB 224.20 per ordinary share.

Reference (according to RAS financial statements of PJSC MMC Norilsk Nickel as of 30.06.2017):

	<i>million RUB</i>
Retained earnings as of 30.06.2017, which can be used to pay dividends	156,139
<i>including:</i>	
net profit for 1H 2017	50,232

The amount of net profit allocated for the current dividend payment is RUB 35,479 mln.

Motivation 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 2017, the current financial position, investment programme as well as priorities of the business and social development of PJSC MMC Norilsk Nickel. Upon analyzing the provided information, the Board of Directors considers that PJSC MMC Norilsk Nickel can pay (declare) dividends based on the results for the first half of 2017.

PJSC MMC Norilsk Nickel meets the conditions required to declare dividends on the Company's shares for H1 2017 and pay the dividends in accordance with the Federal Law 'On Joint-Stock Companies' (Article 43), assuming that:

- as of the date of the resolution on dividend 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 such signs as a result of the dividend payment;
- as of the date 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 30.06.2017, the value of net assets of PJSC MMC Norilsk Nickel amounted to RUB 204,530 mln and exceeded its authorized capital and reserve fund by RUB 204,348 mln).

Thus, the Board of Directors does not expect that declaration and payment of dividends on ordinary shares based on the results of the first half of 2017 will have a negative effect on the strategic potential of PJSC MMC Norilsk Nickel in the longer term.