

**REPORT OF THE BOARD OF DIRECTORS
OF PJSC MMC NORILSK NICKEL**
**outlining a motivated position of the Company Board of Directors
on issues of the agenda for an extraordinary General Shareholders' Meeting of the Company
on December 19, 2015**

1. Regarding payment (announcement) of dividends for shares of the PJSC MMC Norilsk Nickel based on the results for nine months of 2015.

Recommendation:

The Board of Directors recommends to the extraordinary general shareholders' meeting to announce dividends for ordinary registered shares of the PJSC MMC Norilsk Nickel based on the results for 9 months of 2015 in the amount RUB 321.95 per ordinary share.

Reference (according to the financial statement PJSC MMC Norilsk Nickel as of 30.09.2015 under RAS):

	<i>RUB mln.</i>
Retained earnings as of 30.09.2015, which can be used to pay dividends	210 477
including:	
net profit for 9 months of 2015	146 199

The amount of net profit allocated for the current dividend payment is RUB 50 946.560 mln.

Position of the Board of Directors:

The Board of Directors studied production results and financial results of activities of the PJSC MMC Norilsk Nickel over 9 months of 2015, current financial status, and investment program, priorities of the production and social development of the PJSC MMC Norilsk Nickel in the future. Upon analyzing the provided information the Board of Directors believes that PJSC MMC Norilsk Nickel can distribute net profits using the aforesaid method.

Also, the Board of Directors of the PJSC MMC Norilsk Nickel thinks that the Company has conditions for announcement and payment of dividends for ordinary registered shares of the Company based on the results of nine months of 2015 in accordance with article 43 of the Federal law "On Joint Stock Companies", including as of the date of resolution to pay dividends, and as of the date of dividends payment:

- PJSC MMC Norilsk Nickel will not meet the criteria of insolvency (bankruptcy) in accordance with the legislation of the Russian Federation on insolvency (bankruptcy) and the aforementioned indicators fail to emerge as a result of dividends 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 resolution to pay dividends and dividend payments (as of 30.09.2015 the value of net assets of PJSC MMC Norilsk Nickel

amounted to RUB 258 846 mln. and exceeded its authorized capital and reserve fund by RUB 258 664 mln.).

Thus, the Board of Directors does not expect that announcement and payment of dividends for ordinary shares based on the results of nine months of 2015 will have a negative effect on the strategic potential of the PJSC MMC Norilsk Nickel in the longer term.

2. Regarding PJSC MMC Norilsk Nickel participation in Non-Profit Partnership Russian Risk Management Society.

Recommendation:

The Board of Directors advises participation in Non-Profit Partnership Russian Risk Management Society.

Position of the Board of Directors:

The founders of Non-Profit Partnership Russian Risk Management Society (hereafter – NP RusRisk) include: the Russian Union of Industrialists and Entrepreneurs, the National Securities Market Association, NBF Expert Institute, Moscow Association of Insurers. The largest industrial enterprises and companies in Russia are partners of the NP RusRisk: Gazprom, "Lukoil", Inter RAO, JSFC Sistema, Polyus Gold, etc., As well as major companies in the insurance field: Rosgosstrakh, SOGAZ, Ingosstrakh, Insurance Broker Willis CIS, and and others. NP RusRisk cooperates with the world's largest organizations in the area of risk assessment and insurance: FERMA, IFRIMA, RIMS, etc.

NP "RusRisk strives to improve efficiency and sustainability of business in Russia through risk reduction, and improving the management culture of insurable risks. The main objectives of NP RusRisk in terms of management of insurable risks include: creation of national standards, fostering public policy, creating a modern and comprehensive regulatory framework, development of education, training and certification. In addition NP RusRisk fosters risk reduction through curbing hazards of environmental, technological and other catastrophic events, effective elimination of their economic and social impacts, as well as creating a system of broad access to basic and the latest information in the field of risk management and corporate insurance.

Engagement with NP RusRisk by PJSC MMC Norilsk Nickel stems from necessity of prompt and full access to all of its events and materials, including information on the best global and domestic practices in terms of management of insurable risks, as well as an option to independently take part in activities of NP RusRisk, when available by influencing the development of proposals improvement of management of insurable risks.