

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, boost its market cap and protect shareholder rights.

The Company's Regulations on the Dividend Policy approved by the Board of Directors seek to ensure the transparency of the mechanism for determining the amount of dividend and the dividend payout procedure.

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 Russian law, shall be set no earlier than 10 days before and no 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.

REGULATIONS ON THE DIVIDEND POLICY



THE DECISION TO PAY DIVIDENDS



DIVIDEND REPORT

Individuals/entities whose rights to shares are recorded in the shareholder register are paid dividends by the registrar, IRC – R.O.S.T., upon Nornickel's instruction.

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

Any person who has not received the declared dividend 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, in accordance with Clause 9 of Article 42 of Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995, request payment of unpaid dividend within three years from the date of the resolution to pay dividends.

DIVIDENDS IN 2020

On 13 May 2020, the Annual General Meeting of Shareholders approved a dividend of RUB 557.2 per share

for 2019. The amount of dividend payout totalled RUB 88 billion (about USD 1.2 billion).

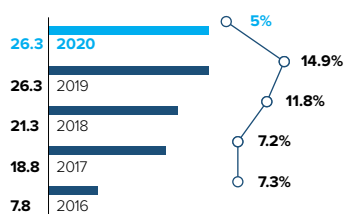
On 10 December 2020, the Extraordinary General Meeting of Shareholders approved a dividend of RUB 623.35 per share for 9M 2020, with the amount of dividend payout totalling close to RUB 98 billion (about USD 1.4 billion).

On 9 April 2021, the Board of Directors recommended that the Annual General Meeting of Shareholders approve a dividend of RUB 1,021 per share (about USD 13.25) for FY2020.

DIVIDEND HISTORY¹

Period	Declared dividend		Dividends paid ²	
	RUB mln	USD mln ³	RUB mln	USD mln ³
Total for 2020	260,246	3,320	n/a	n/a
FY2020 ⁴	161,603	2,096	n/a	n/a
9M 2020	98,642	1,346	98,290	1,334
Total for 2019	323,647	4,909	323,482	5,011
FY2019	88,174	1,201	88,166	1,264
9M 2019	95,595	1,529	95,430	1,567
6M 2019	139,878	2,179	139,886	2,180
Total for 2018	248,214	3,741	248,983	3,827
FY2018	125,413	1,928	125,298	1,986
6M 2018	122,802	1,813	122,685	1,841
Total for 2017	131,689	2,131	131,546	2,137
FY2017	96,210	1,524	96,117	1,527
6M 2017	35,479	607	35,429	610
Total for 2016	140,894	2,379	140,758	2,360
FY2016	70,593	1,239	70,509	1,188
9M 2016	70,301	1,141	70,249	1,72

DIVIDEND YIELDS



- Dividend per share paid in the calendar year, USD
- Dividend yield⁵

¹ Earlier dividend history is available at our website.

² Dividends are paid out to shareholders within three years from the respective dividend resolution date. The dividend payouts are shown as of 31 December 2020 according to IFRS reporting.

³ Calculated at the exchange rate of the Bank of Russia as of the declaration date or payment date, respectively.

⁴ On 9 April 2021, the Company's Board of Directors recommended that the Annual General Meeting of Shareholders approve a dividend for FY2020.

⁵ Recommended dividend to average ADR price (Bloomberg) in the calendar year.

SECURITIES TAXATION

Income from securities is taxable pursuant to the applicable tax laws of the Russian Federation (Chapter 23, Personal Income Tax, and Chapter 25, Corporate Income Tax, of the Russian Tax Code).

Under international double taxation treaties to which the Russian Federation is a party, non-Russia tax residents can claim a reduced rate of withholding tax on Russia source income, or relief from tax in Russia.

To claim these benefits, non-residents need to submit relevant confirmations to their Russian tax agent paying the income:

- A confirmation of permanent residence in a state with which the Russian Federation has a double taxation treaty (tax residency certificate)
- A confirmation that they meet other conditions for application of a reduced rate, if such conditions (or restrictions) are set forth in the applicable treaty
- Should they fail to provide such confirmations by the date of income payment, the tax shall be withheld at the standard rates stipulated by the Russian Tax Code.

DIVIDEND TAX FORMULA¹

$$AT = P \times TR \times (D_1 - D_2)$$

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 stipulated by Subclauses 1–2, Clause 3, Article 284 or Clause 1, Article 224 of the Russian Tax Code

D₁ — dividend amount to be distributed among all recipients

D₂ — dividend amount² received by Nornickel, provided that previously this amount was not included in the taxable income

TAXATION OF INCOME FROM SECURITIES

Shareholder	Income from transactions	Interest income	Dividend income
Individuals			
Residents	13% ^{3 4}	13% ⁴	13% ⁴
Non-residents	30% ³	30%	15%
Legal entities			
Residents	20% ³	20%	13% ⁵
Non-residents	20% ⁵	20%	15%

¹ The formula is not applicable to dividends paid to Russia non-residents.

² Excluding the dividend amount eligible for a zero tax rate pursuant to Subclause 1, Clause 3, Article 284 of the Russian Tax Code.

³ Or 0% if Nornickel shares are sold, provided that by the selling date such shares have been held for more than five years and the requirements are met for the share of real estate in Nornickel's assets as outlined in Clause 2, Article 284.2 of the Russian Tax Code.

⁴ If the income is paid after 1 January 2021, a tax rate of 15% applies to amounts over RUB 5 mln for the reporting period.

⁵ Or 0% if as of the date of the dividend resolution a Russian entity has been owning 50% (and more) of shares in Nornickel's authorised capital for 365 days (and more).

⁶ If the income is classified as income of a foreign entity from sources in Russia in accordance with Clause 1, Article 309 of the Russian Tax Code.