



# Shareholder

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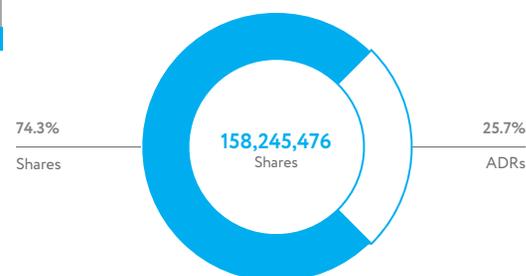
# SHARE CAPITAL

Nornickel's **authorised capital** is made up of 158,245,476 ordinary shares with a par value of RUB 1 each. No preferred shares are issued. The Company's capitalisation at the end of 2019 increased by 62.6% year-on-year and amounted to USD 48.3 bn.

Nornickel **shares** have been trading on the Russian securities market since 2001 and are included in the Blue Chip Index of the Moscow Exchange (ticker symbol: GMKN) ranking among the most liquid instruments in the Russian securities market.

In 2001, Nornickel issued **American depositary receipts (ADRs)** to represent its shares. Currently, shares are convertible into ADRs at a ratio of 1:10. Depositary services for the ADR programme and custody services are provided by the Bank of New York Mellon and VTB Bank, respectively. ADRs are traded in the electronic trading system of OTC markets of the London Stock Exchange (ticker symbol: MNOD), on the US OTC market (ticker symbol: NILSY), and on other exchanges. As at 31 December 2019, the total number of ADRs representing MMC Norilsk Nickel shares was 406,485,700 or 25.7% of the authorised capital. The number of ADRs traded on stock exchanges is not constant, as depositary receipt holders may convert their securities into shares and vice versa.

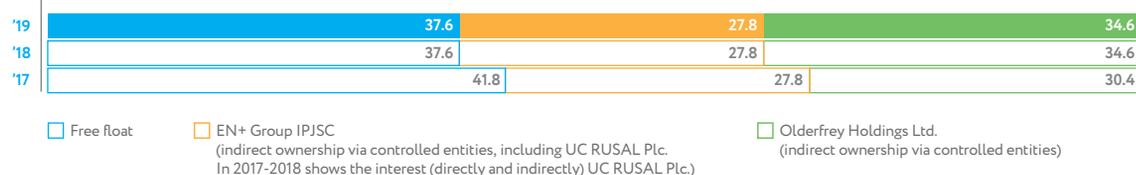
Share and ADR split at the end of 2019



At the end of 2019  
Nornickel capitalisation amounted

# USD 48 bn

Share capital structure as at calendar year-end %



In the reporting period, EN+ GROUP PLC acquired 1.98% of the voting shares in UC RUSAL Plc, bringing its voting share ownership in UC RUSAL Plc to 50.1%. UC RUSAL Plc held 0.0006% of shares in Nornickel directly and 27.8238% indirectly (via indirect control over Aktivium Holding B.V., which held 27.8238% of the voting shares in Nornickel). In 2019, EN+ GROUP PLC and Aktivium Holding B.V. were registered in Russia as EN+ GROUP International Public Joint-Stock Company (EN+ GROUP IPJSC) and International Limited Liability Company AKTIVIUM (MK AKTIVIUM), respectively.

As of the end of 2019, the largest shareholders' stakes remained the same, with the stake of Oldersfry Holdings Ltd totalling 34.6%, and the stake of EN+ Group IPJSC (formerly UC RUSAL Plc) totalling



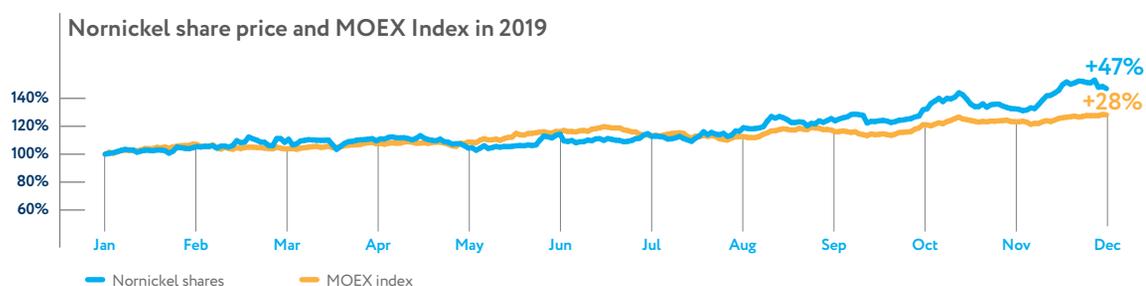
Source: Bloomberg

27.8%. 37.6% of shares and ADRs are in free float or are owned by institutional and private investors based in Russia or USA, as well as in European, Asian, and other countries.

### Share price and trading volume on the Moscow Exchange

Period	Share price, RUB		Share price, RUB as at the period end	Trading volume, mln shares	Market cap as at the period end, RUB bn
	low	high			
2019	12,993	19,890	19,102	42	3,023
First quarter	12,993	14,594	13,720	10.9	2,171
Second quarter	13,358	14,868	14,308	8.8	2,264
Third quarter	14,146	16,686	16,686	10.6	2,640
Fourth quarter	15,894	19,890	19,102	11.8	3,023
2018	9,170	13,349	13,039	46	2,063
2017	7,791	11,610	10,850	49	1,717
2016	8,050	11,070	10,122	48	1,602
2015	8,590	12,106	9,150	58	1,448

Source: Nornickel's calculations based on the Moscow Exchange price

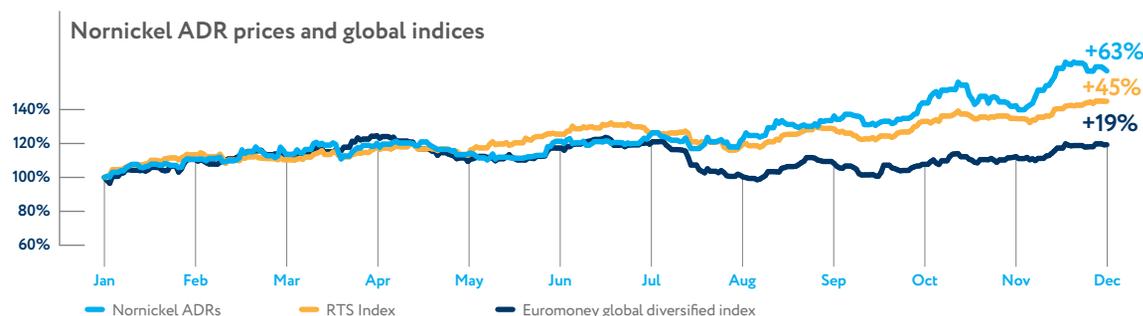


Source: Bloomberg

## ADR price and trading volume on the OTC market of the LSE

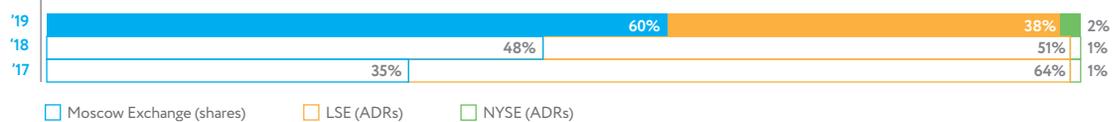
Period	ADR price, USD			Trading volume, mln shares	Market cap as at the period end, USD mln
	low	high	as at the period end		
2019	18.8	31.5	30.6	337	48,344
First quarter	18.8	22.7	21.1	88	33,421
Second quarter	20.7	23.0	22.7	82	35,938
Third quarter	22.0	25.7	25.6	87	40,511
Fourth quarter	24.5	31.5	30.6	80	48,344
2018	14.9	21.2	18.8	491	29,687
2017	13.0	20.2	18.7	738	29,655
2016	10.4	18.2	16.8	647	26,569
2015	12.4	21.6	12.7	722	20,042

Source: Nornickel's calculations based on the LSE price



Source: Bloomberg

## Share of Nornickel securities on the major exchanges



For more details on trading performance, please see the [Interactive Database section](#) of the website.

## REGISTRAR

Independent Registrar Company acted as Nornickel's registrar before 5 February 2019. Following its reorganisation completed on 4 February 2019, Independent Registrar Company became part of the IRC – R.O.S.T. Group. As a legal successor of Independent Registrar Company, IRC – R.O.S.T. has maintained Nornickel's shareholder register and provided a full range of registrar services from 5 February 2019. As of 31 December 2019, IRC – R.O.S.T. acts as Nornickel's registrar.

The Shareholder's Personal Account service developed by the registrar, has enabled shareholders, including those owning shares via nominal holders, to participate in general meetings via e-voting ballots. The Personal Account provides registered shareholders with the following benefits:

- 1/ Viewing of shareholder account information and details
- 2/ Electronic document exchange with the registrar (e.g. sending requests, receiving statements from the register and/or shareholder account statements)

- 3/ Text and e-mail notifications of any instructions regarding registered shareholders' accounts, viewing details of the documents received
- 4/ Viewing information on dividends accrued and the payment history
- 5/ Preparation of registered shareholder's instructions

To get access to the Personal Account, shareholders need to contact an IRC – R.O.S.T. office. Individual shareholders with a verified [Public Services Portal](#) account can access their personal account remotely. The access procedure for the Shareholder's Personal Account is detailed on [the registrar's website](#).

## SHAREHOLDER RIGHTS

All shareholders, including minority and institutional shareholders, enjoy equal rights and treatment in their relations with Nornickel, in particular the rights to:

- 1/ participate in General Meetings of Shareholders and vote on all matters within their competence, unless otherwise provided for by Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995
- 2/ receive dividends if the General Meeting of Shareholders passes the relevant resolution
- 3/ receive part of Nornickel's property in case of its liquidation
- 4/ have access to information about Nornickel's operations.

Nornickel's [Regulations on the General Meeting of Shareholders](#) detail procedures to convene, prepare, and conduct its general meetings.

The Annual General Meeting of Shareholders is held once a year, between on April 1st and on June 30th after of the financial year. General Meetings of Shareholders other than the Annual General Meeting of Shareholders are considered extraordinary meetings. They are convened as per resolution of the Board of Directors at its discretion, or at the request of the Audit Commission, Nornickel's auditor, or shareholders owning at least 10% of Nornickel voting shares as at the date of the request.

Shareholders can exercise other rights as prescribed by the federal laws On Joint Stock Companies and On the Securities Market, as well as other regulations of the Russian Federation.

# 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.

When determining dividends, MMC Norilsk Nickel factors in the cyclical nature of the metals market and the need to maintain a high level of creditworthiness. As a result, the dividend amount

may change depending on the Company's operating profit and leverage.

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 the 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.

## 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.

On 26 September 2019, the Extraordinary General Meeting of Shareholders approved a dividend of RUB 883.93 per share (about USD 13.27 at the exchange rate of the Bank of Russia as at 20 August 2019, the date of the Board of Directors' recommendation) for the first six months of 2019.

On 16 December 2019, the Extraordinary General Meeting of Shareholders approved a dividend of RUB 604.09 per share (about USD 9.48 at the exchange rate of the Bank of Russia as at 11 November 2019, the date of the Board of Directors' recommendation) for the first nine months of 2019.

On 7 April 2020, the Company's Board of Directors recommended that the General Meeting of Shareholders approve a dividend of RUB 557.2 per share (about USD 7.29) for FY2019.

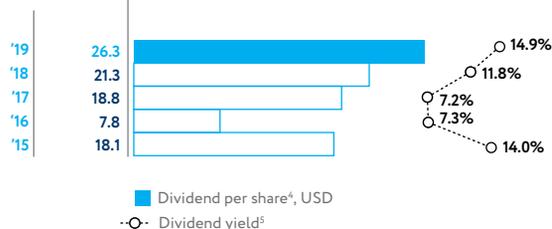
Dividend history<sup>1</sup>

Period	Declared dividend		Dividend per share	
	RUB mln	USD mln <sup>2</sup>	RUB	USD <sup>2</sup>
<b>Total for 2019</b>	323,647	4,754	1,488	22.75
FY2019 <sup>3</sup>	88,174	1,154	557	7.29
9M 2019	95,595	1,500	604	9.48
6M 2019	139,878	2,100	884	13.27
<b>Total for 2018</b>	<b>248,214</b>	<b>3,739</b>	<b>1,569</b>	<b>23.63</b>
FY2018	125,413	1,939	793	12.25
6M 2018	122,802	1,800	776	11.37
<b>Total for 2017</b>	<b>131,689</b>	<b>2,162</b>	<b>832</b>	<b>13.66</b>
FY2017	96,210	1,562	608	9.87
6M 2017	35,479	600	224	3.79
<b>Total for 2016</b>	<b>140,894</b>	<b>2,339</b>	<b>890</b>	<b>14.78</b>
FY2016	70,593	1,239	446	7.83
9M 2016	70,301	1,100	444	6.95
<b>Total for 2015</b>	<b>135,642</b>	<b>2,148</b>	<b>857</b>	<b>13.57</b>
FY2015	36,419	548	230	3.46
9M 2015	50,947	800	322	5.06
6M 2015	48,276	800	305	5.06

## Dividends paid

Year <sup>4</sup>	Total dividends paid	
	RUB mln	USD mln
2019	265,233	4,166
2018	218,873	3,369
2017	176,246	2,971
2016	86,712	1,232
2015	154,227	2,859

## Dividend yields



Dividend yield for 2019 amounted

14.9%

<sup>1/</sup> Earlier dividend history is available at our website.

<sup>2/</sup> Calculated at the exchange rate of the Bank of Russia as at the date of the Board of Directors' meeting.

<sup>3/</sup> On 7 April 2020, the Company's Board of Directors recommended that the Annual General Meeting of Shareholders approve a dividend for FY2019.

<sup>4/</sup> Dividends paid in the calendar year.

<sup>5/</sup> Recommended dividend to average ADR price (Bloomberg) for the calendar year.

## TAXATION

Income from securities is taxable pursuant to the applicable tax laws of the Russian Federation<sup>1</sup>.

Item	Income from securities transactions	Interest income on securities	Dividend income on securities
<b>Individuals</b>			
Residents	13% <sup>2</sup>	13%	13%
Non-residents	30% <sup>3</sup>	30%	15%
<b>Legal entities</b>			
Russian entities	20% <sup>2</sup>	20%	13% <sup>4</sup>
Non-resident entities	20% <sup>5</sup>	20%	15%

### Tax treatment of income from securities

Reduced tax rates or exemptions may apply to individuals and foreign entities who are not tax residents of Russia pursuant to international double tax treaties. Starting from 1 January 2017, in order to apply for tax benefits under international double tax treaties, foreign entities must confirm their permanent residence in a state which has

a double tax treaty signed with Russia, and also provide the income paying tax agent with a document confirming the entity's right to receive such income (Clause 1, Article 312 of the Russian Tax Code). Should the entity fail to provide such confirmation by the date of the payout, the Russian tax agent shall withhold the tax at the standard rates stipulated by Clauses 2 and 3, Article 284 of the Russian Tax Code.

### Dividend tax formula<sup>6</sup>

$$AT = P \times TR \times (D1 - D2)$$

where:

**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 for Russian entities (0% or 13%)

**D1** – dividend amount to be distributed among all recipients

**D2** – dividend amount<sup>7</sup> received by the entity paying dividends, provided that previously these amounts were not included in the taxable income

<sup>1/</sup> Chapter 23 (Personal Income Tax) and Chapter 25 (Corporate Income Tax) of the Russian Tax Code.

<sup>2/</sup> Or 0% if by the selling date the Company shares have been held for more than five years and the requirements for the share of real estate in the Company's assets as outlined in paragraph 2, Article 284.2 of the Russian Tax Code have been met.

<sup>3/</sup> If the Company shares are sold in Russia. A 0% rate is applied if by the selling date the shares have been held for more than five years and the requirements for the share of real estate in the Company's assets as outlined in paragraph 2, Article 284.2 of the Russian Tax Code have been met.

<sup>4/</sup> Or 0%, if as at the date of the dividend payout resolution a Russian entity has been owning an interest of 50% (and more) in the authorised capital of the entity paying dividends, for 365 days (and more).

<sup>5/</sup> If the income is classified as income of a foreign entity from sources in the Russian Federation in accordance with Clause 1, Article 309 of the Russian Tax Code.

<sup>6/</sup> The formula is not applicable to dividends paid to foreign entities and/or individuals who are not tax residents of Russia.

<sup>7/</sup> Excluding the dividend amount eligible for a zero tax rate pursuant to Subclause 1, Clause 3, Article 284 of the Russian Tax Code.

# DEBT INSTRUMENTS

## CREDIT RATINGS

On 12 February 2019, Moody's upgraded Nornickel's credit rating to Baa2 with a Stable outlook following Russia's sovereign credit rating upgrade to Baa3 investment-grade level with a Stable outlook and country ceiling for foreign currency debt rising to Baa2.

 A detailed overview of Nornickel's debt instruments is available in the [Investors](#) section of the Company's website.

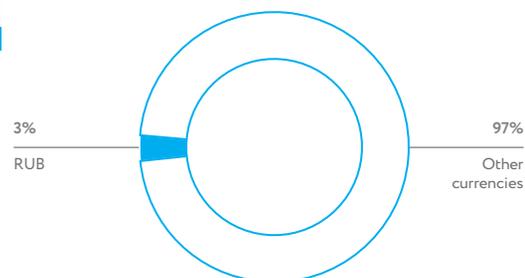
Therefore, as of the end of 2019, Nornickel held investment grade credit ratings from all three major international rating agencies and Russian Expert RA:

- 1/ **Fitch**  
BBB-/Stable
- 2/ **Standard & Poor's**  
BBB-/Stable
- 3/ **Moody's**  
Baa2/Stable
- 4/ **Expert RA**  
ruAAA/Stable

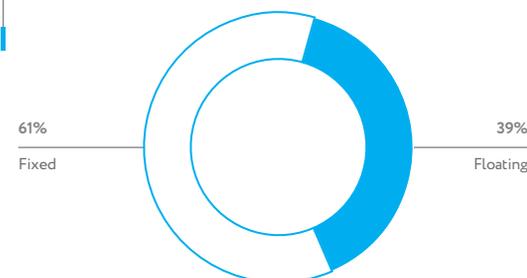
## DEBT PORTFOLIO MANAGEMENT



Debt portfolio by currency<sup>8</sup>



Debt portfolio by interest rate<sup>8</sup>



<sup>8</sup>/ RUB loans with currency swap applied disclosed as USD loans at the rate of swap initiation

## BONDS

In late November 2018, Nornickel registered a 30-year exchange-traded bond programme on the Moscow Exchange for up to RUB 300 bn (or its equivalent in a foreign currency). In 2019, as part of the programme, we successfully placed a 7.2% RUB 25 bn bond maturing in 2024.

In 2019, Nornickel successfully placed a 3.375% USD 750 mln Eurobond maturing in 2024 recording

the lowest coupon ever for the Company's Eurobond issues.

As of the end of 2019, Nornickel had five Eurobond issues outstanding for a total of USD 4.25 bn and two rouble exchange-traded bonds for a total of RUB 40 bn.

### Eurobonds

Instrument	Eurobonds				
	2020 (LPN)	2022 (LPN)	2022 (LPN)	2023 (LPN)	2024 (LPN)
Issuer	MMC Finance D.A.C.				
Offering date	28.10.2013	08.06.2017	14.10.2015	11.04.2017	28.10.2019
Maturity date	28.10.2020	08.04.2022	14.10.2022	11.04.2023	28.10.2024
Issue size, USD mln	1,000	500	1,000	1,000	750
Coupon rate, %	5.550	3.849	6.625	4.100	3.375
Coupon dates	28 October / 28 April	08 October / 08 April	14 October / 14 April	11 October / 11 April	28 October / 28 April
Issue rating (F/M/S)	BBB-/Baa2/ BBB-	BBB-/-/BBB-	BBB-/Baa2/ BBB-	BBB-/-/BBB-	BBB-/Baa2/ BBB-

### Rouble bonds

Instrument	Exchange-traded bonds, BO-05	Exchange-traded bonds, BO-001P-01
	Issuer	PJSC MMC NORILSK NICKEL
ISIN	RU000A0JW5C7	RU000A100VQ6
Offering date	19.02.2016	01.10.2019
Maturity date	06.02.2026	24.09.2024
Issue size, RUB bn	15	25
Coupon rate, %	11.60	7.20
Coupon dates	Every 182 days starting from the offering date	

# INVESTOR RELATIONS

Nornickel maintains an active dialogue with a wide universe of international and Russian investors, seeking to follow global best practices in making mandatory disclosures. To make disclosures more meaningful and comprehensive, Nornickel uses an array of disclosure tools, including press releases, presentations, annual and sustainability reports, corporate action notices, and news feeds. With Nornickel's growth story appealing to both Russian and international investors, the Group provides parallel disclosure in Russian and in English languages via a disclosure service authorised by the UK regulator.

Nornickel's quarterly disclosures via its website include its operating performance, quarterly issuer reports, financial statements under the Russian Accounts Standards (RAS), and lists of affiliates. Financial statements in accordance with International Financial Reporting Standards (IFRS) are released on a semi-annual basis. IFRS disclosures are followed by webcasts and conference calls with the Group's senior management and one-on-one meetings with analysts. Nornickel also holds an annual Investor Day to share its corporate long-term strategy updates. To maintain strong investor relations, the Group makes extensive use of various communication tools, including conference speaking opportunities, road shows, site visits for investors, etc.<sup>1</sup>

During 2019, the Investor Relations Department continued to actively engage with investors, with about 300 one-on-one meetings held over the year.

In its IR communications, Nornickel places a particular emphasis on sustainability, with 25 meetings with investors centred around ESG (environmental, social and governance) matters and climate change. In 2017, in line with best practices, Nornickel set up a dedicated ESG Strategy section on its website highlighting all relevant information on environmental and sustainability matters. The section also features an ESG databook summarising the Group's current and historical sustainability performance since 2010. Nornickel also maintains a dialogue with major global and Russian ESG agencies.

Over the past several years, the Group has achieved a considerable progress on ESG, as reflected in its rating upgrades. In addition, a number of major European investors have cited the Group's improved ESG performance as the main reason behind their decision to re-invest in Nornickel shares.

## Nornickel's sustainability highlights

Agency	Current rating	Date
FTSE4Good Emerging Index	Inclusion in the index is confirmed. Score at 3.0 (out of 5)	June 2019
ISS	Upgraded environmental score and social score to 2, and reaffirmed governance score – 4 (where 1 is low risk, and 10 is high risk). ESG rating updated to «C» medium.	October 2019
Robeco SAM	Upgraded to 37 (vs 27 in 2018)	September 2019
MSCI ESG	Reaffirmed at B	December 2019
Sustainalytics	Downgrade to 67 (vs 69 in 2018)	April 2019

<sup>1/</sup> Information about upcoming events is posted in [the IR Calendar](#) on the corporate website.