

# Authorised capital

As at 31 December 2017, the authorised capital of MMC Norilsk Nickel comprised 158,245,476 ordinary shares with a par value of RUB 1 each.

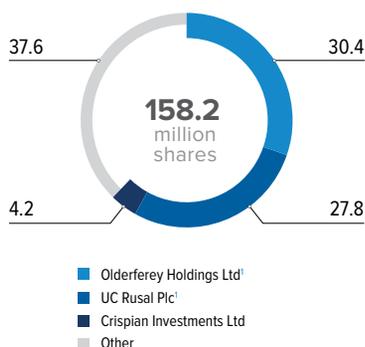
The Company placed no preferred shares.

As at 31 December 2017, there were registered in the shareholder register:

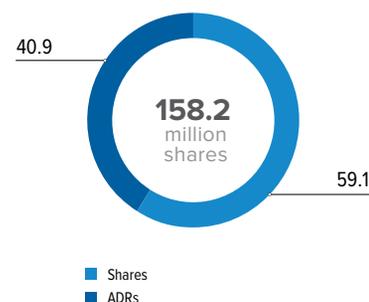
## 39 473 persons

- 39,445 individuals
- 28 legal entities
- 3 nominal holders

**Share capital structure,**  
31 December 2017 // %



**Share and ADR split,**  
31 December 2017 // %



## Holders of MMC Norilsk Nickel's shares and American depository receipts (ADRs)

Holders	Share in the authorised capital, %		
	31 December 2015	31 December 2016	31 December 2017
Olderferey Holdings Ltd <sup>1</sup>	30.4	30.4	30.4
UC Rusal Plc <sup>1</sup>	27.8	27.8	27.8
Crispian Investments Ltd	5.5	4.2	4.2
Other	36.3	37.6	37.6

<sup>1</sup> Indirect control via controlled entities.

# Securities

Stock exchanges trade in MMC Norilsk Nickel's shares and ADRs.

As at 31 December 2017, the Company's capitalisation stood at USD 29.7 bn, up 12% y-o-y.



**Average monthly capitalisation in 2017 // USD bn**



Source: Bloomberg

# Ordinary shares

The Company's ordinary shares have been trading on the Russian market since 2001.

They are included in the Moscow Exchange's Blue Chip Index (ticker symbol: GMKN) and rank among liquid instruments in the Russian securities market.

MMC Norilsk Nickel's registrar is Independent Registrar Company. The registrar provides a full scope of services to the Company's shareholders. Shareholders (individuals and legal entities) listed in the Company's shareholder register have access to the Shareholder's Personal Account, where they can:

- view the number and price of their shares,
- check dividends accrued and paid,
- see the date of the upcoming General Meeting of Shareholders,
- participate in General Meetings of Shareholders through e-voting.

Access to the personal account can be obtained at a branch of Independent Registrar Company.

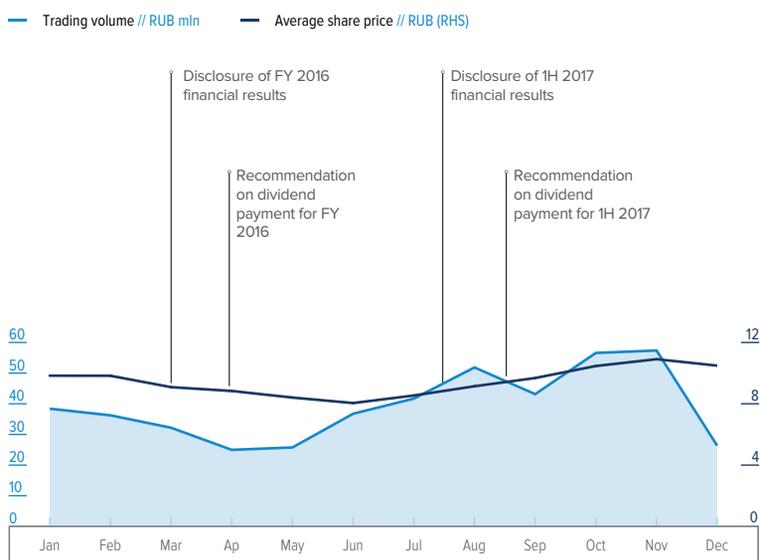
For more details on the registrar, please see the Contacts section.

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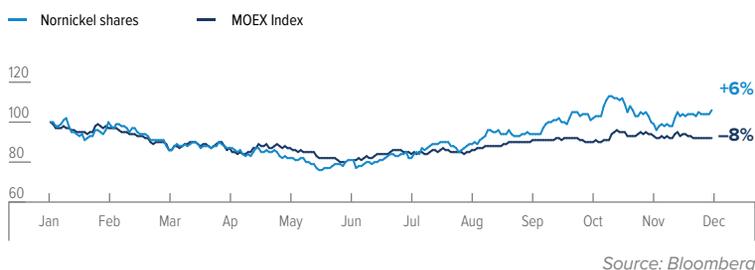


The Shareholder's Personal Account

## Share price and trading volume on the Moscow Exchange in 2017



## Share price and MOEX Index in 2017 // %



## Share price and trading volume on the Moscow Exchange

Date	Share price, RUB			Volume, shares	Market cap at end of period, RUB bn
	Min	Max	End of period		
2013	4,105	6,101	5,399	72,088,571	854
2014	5,150	10,805	8,080	75,215,906	1,279
2015	8,590	12,106	9,150	58,018,280	1,448
2016	8,050	11,070	10,122	48,275,360	1,602
<b>2017, incl.</b>	<b>7,791</b>	<b>11,610</b>	<b>10,850</b>	<b>49,456,624</b>	<b>1,717</b>
Q1	8,807	10,439	8,929	11,081,179	1,413
Q2	7,791	9,186	8,068	10,419,785	1,277
Q3	8,197	9,920	9,920	14,867,898	1,570
Q4	9,876	11,610	10,850	13,087,762	1,717

Source: Moscow Exchange

# ADRs

In 2001, MMC Norilsk Nickel issued ADRs for its shares. Currently, shares are convertible into ADRs at a ratio of 1:10. Depository services for ADR transactions are provided by the Bank of New York Mellon, and custody services are provided by VTB Bank.

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 many other exchanges.

As at 31 December 2017, the total number of ADRs issued against MMC Norilsk Nickel's shares was 647,562,500, or 40.9% of the authorised capital. The number of ADRs traded on stock exchanges is not constant, and depository receipt holders may convert their securities into shares and vice versa.

## ADR price and trading volume on the London Stock Exchange in 2017



## ADR price and global indices // %



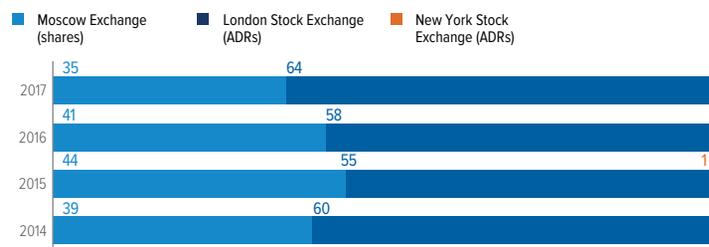
Source: Bloomberg

## ADR price and trading volume on the OTC market of the London Stock Exchange

Date	ADR price, USD			Volume, shares	Market cap at end of period, USD mln
	Min	Max	End of period		
2013	12.4	20.3	16.6	1,021,589,603	26,300
2014	14.2	21.5	14.2	1,162,822,466	22,503
2015	12.4	21.6	12.7	724,594,769	20,042
2016	10.4	18.2	16.8	647,017,484	26,569
<b>2017, incl.</b>	<b>13.0</b>	<b>20.2</b>	<b>18.7</b>	<b>737,658,803</b>	<b>29,655</b>
Q1	14.8	17.6	15.7	182,345,505	24,876
Q2	13.0	16.3	13.8	144,255,268	21,838
Q3	13.9	17.2	17.2	211,593,420	27,242
Q4	17.2	20.2	18.7	199,464,610	29,655

Source: Bloomberg

## Share and ADR trading volume by exchanges // %



For more details on trading in the Company's shares and ADRs, please see our website

# Bonds

In 2017, the Company successfully placed two Eurobond issues for a total of USD 1.5 bn against a favourable market backdrop: April saw us close the offering of USD 1.0 bn Eurobonds due in 2023 with a coupon rate of 4.10% that was inside the Company's outstanding Eurobond curve, followed by a second USD 500 mln issue due in 2022 with a coupon rate of 3.849% (the lowest among the Company's outstanding bonds) placed in June.

In 2017, the Company had five Eurobond issues outstanding for a total amount of USD 4,250 mln with maturities in 2018, 2020, 2022 and 2023, and one issue of rouble exchange-traded bonds for RUB 15 bn due in 2026.

As at the end of 2017, the Company boasted credit ratings from three leading international rating agencies:

Fitch Ratings: **BBB– / Stable**  
Standard & Poor's: **BBB– / Stable**  
Moody's: **Ba1 / Stable**

On 30 January 2018, Moody's upgraded Nornickel's credit rating to Baa3 (investment grade) and raised its outlook from stable to positive following an increase in Russia's country ceilings for foreign currency debt to the same Baa3 level and a change in the outlook on Russia's rating from stable to positive. The Company's credit ratings from all the three rating agencies (Fitch, Moody's and S&P Global) currently qualify as investment grade.

## Eurobonds

Instrument	Eurobonds 2018 (LPN)	Eurobonds 2020 (LPN)	Eurobonds 2022 (LPN)	Eurobonds 2022 (LPN)	Eurobonds 2023 (LPN)
<b>Issuer</b>	MMC Finance D.A.C.	MMC Finance D.A.C.	MMC Finance D.A.C.	MMC Finance D.A.C.	MMC Finance D.A.C.
<b>Issue size</b>	USD 750 mln	USD 1,000 mln	USD 500 mln	USD 1,000 mln	USD 1,000 mln
<b>Coupon rate</b>	4.375%	5.55%	3.849%	6.625%	4.10%
<b>Offering date</b>	30 April 2013	28 October 2013	8 June 2017	14 October 2015	11 April 2017
<b>Maturity date</b>	30 April 2018	28 October 2020	8 April 2022	14 October 2022	11 April 2023
<b>Coupon dates</b>	30 October / 30 April	28 October / 28 April	8 October / 8 April	14 October / 14 April	11 October / 11 April
<b>Issue rating</b>	BBB-/Baa3/BBB-	BBB-/Baa3/BBB-	BBB-/ – /BBB-	BBB-/Baa3/BBB-	BBB-/ – /BBB-

## Rouble bonds

<b>Instrument</b>	Exchange-traded bonds, BO-05
<b>Issuer</b>	MMC Norilsk Nickel
<b>ISIN</b>	RU000A0JW5C7
<b>Offering date</b>	19 February 2016
<b>Maturity date</b>	6 February 2026
<b>Issue size</b>	RUB 15 bn
<b>Coupon rate</b>	11.60%
<b>Coupon dates</b>	Each 182 days starting from the offering date

# Dividends

## 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 and market capitalisation, and ensure respect of shareholder rights.

The Company has put in place the Regulations on the Dividend Policy to ensure transparency on how dividends are calculated and paid out.

Under the Company's dividend policy, in determining the recommended dividend amount, the Board of Directors seeks to make sure that annual dividends on the Company's shares make up at least 30% of the Group's consolidated EBITDA.

### Key principles of Nornickel's dividend policy:

- **Legality:** compliance with the Russian law, the Company's Charter and by-laws;
- **Transparency:** transparency on how dividends are calculated and paid out;
- **Balance:** dividend payouts to shareholders along with long-term business development and capitalisation growth for the Company;
- When calculating dividends, MMC Norilsk Nickel accounts for the cyclical nature of the metals market and for the need to maintain a high level of creditworthiness. As a result, the amount of dividends 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 also takes into account the Board's recommendations to determine the dividend amount and record date, which shall be set not earlier than 10 days before and not 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

Dividends are paid to individuals/entities whose rights to shares are recorded in the shareholder register by Independent Registrar Company, MMC Norilsk Nickel's registrar

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

In accordance with Clause 9 of Article 42 of Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, any person who has not received the declared dividends 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 request payment of such dividends (unpaid dividends) during the period of three years from the date of the resolution to pay the same.

On 24 May 2018 the Company's Board of Directors recommended that the General Meeting of Shareholders approve final dividends for FY 2017 in the amount of

**RUB 607.98 per share**

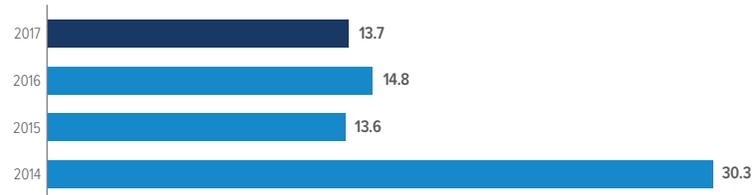
(~USD 9.87 at the RUB/USD exchange rate the Russian Central Bank as of May 24, 2018)

per share totalling

**RUB 96.2 mln**

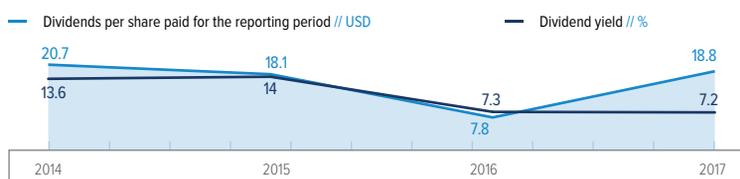
(~USD 1,562 at the RUB/USD exchange rate the Russian Central Bank as of May 24, 2018)

#### Declared dividends per share<sup>1</sup> // USD



<sup>1</sup> Based on the total amount of dividends for 2017 recommended by the Board of Directors for approval by the General Meeting of Shareholders. Declared dividends based on the Bank of Russia's exchange rate as at the date of the Board of Directors' meeting.

#### Dividend yield<sup>2</sup>



<sup>2</sup> Dividend yield for the periods calculated based on the amount of dividends for the calendar year recommended by the Board of Directors and on the average ADR price by Bloomberg.

Committed to developing Tier-1 assets, Nornickel has been able to provide a consistently high dividend yield to its shareholders over the last five years. We expect the trend to continue.

#### Dividends paid<sup>3</sup>

Period	RUB mln	USD mln
2017	176,246	2,971
2016	86,712	1,232
2015	154,227	2,859
2014	159,914	3,281

#### Dividend history<sup>4</sup>

Period	Declared dividends <sup>5</sup>		Dividend per share/ADR	
	RUB mln	USD mln	RUB	USD
<b>Total for 2017</b>	<b>131,689</b>	<b>2,162</b>	<b>832</b>	<b>13.66</b>
FY2017 <sup>6</sup>	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
<b>Total for 2014</b>	<b>226,668</b>	<b>4,798</b>	<b>1,432</b>	<b>30.32</b>
FY2014	106,031	2,018	670	12.75
9M 2014	120,637	2,780	762	17.57

<sup>3</sup> Dividend paid during the above periods, excluding treasury shares.

<sup>4</sup> For dividend history covering earlier periods, please see our website.

<sup>5</sup> Calculated at the Bank of Russia's exchange rate as at the date of the Board of Directors' meeting.

<sup>6</sup> On 24 May 2018, the Company's Board of Directors recommended that the General Meeting of Shareholders approve final dividends for 2017.

# Taxation

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

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 organisations 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 right of the organisation to receive such income (Clause 1, Article 312 of the Russian Tax Code).

Should the organisation 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>2</sup>

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

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

**D<sub>1</sub>** — dividend amount to be distributed among all recipients;

**D<sub>2</sub>** — dividend amount<sup>3</sup>, received by the entity paying dividends, provided that previously these amounts were not included in the taxable income.

## Tax treatment of income from securities // %

Item	Income from securities transactions	Interest income on securities	Dividend income on securities
<b>Individuals</b>			
Residents	13	13	13
Non-residents	30 <sup>4</sup>	30	15
<b>Legal entities</b>			
Russian companies	20 <sup>5</sup>	20	13 <sup>6</sup>
Non-resident companies	20	20	15

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

<sup>2</sup> The formula is not applicable to dividends paid to foreign entities and/or individuals who are not tax residents of Russia.

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

<sup>4</sup> If shares or other securities are sold in Russia.

<sup>5</sup> Or 0%, if shares (interests) of Russian entities acquired on or after 1 January 2011 are sold, provided that as at the date of their sale the shares (interests) have been owned for over five years and subject to one of the conditions stipulated by Clause 2, Article 284.2 of the Russian Tax Code.

<sup>6</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).

# Shareholder rights

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

- participate in General Meetings of Shareholders and vote on all items within its competence;
- receive dividends should the General Meeting of Shareholders pass the relevant resolution;
- receive part of the Company's property in case of its liquidation;
- have access to information about the Company's operations.

The Company has the Regulations on the General Meeting of Shareholders in place that set forth procedures to convene, prepare and conduct its general meetings.

For more details on the registrator, please see the [Contacts](#) section.

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The Annual General Meeting of Shareholders is held on an annual basis not earlier than three months before and not later than six months after the end of the financial year. General meetings other than Annual General Meetings of Shareholders are defined as Extraordinary General Meetings of Shareholders and are held as per resolution of the Board of Directors at their discretion or at the request of the Audit Commission, the Company's auditor, or shareholders who own at least 10% of the Company's voting shares as at the date of the request.

The notice of a General Meeting of Shareholders is published in the Rossiyskaya Gazeta newspaper and the Taimyr newspaper and posted on the Company's website not later than 30 days prior to the date of the general meeting. If a general meeting is conducted in the form of absentee voting (by ballot), the notice is given in the above mentioned newspapers at least 30 days prior to the deadline set for the collection of ballot sheets.

Holders of MMC Norilsk Nickel's shares who are registered in the shareholder register receive a ballot from the Company and are entitled to exercise their voting right by sending the ballot sheet to the Company or by attending the General Meeting of Shareholders (in person or by proxy).

Holders of MMC Norilsk Nickel's shares who are clients of nominal holders can also participate in the General Meeting of Shareholders by instructing the nominal holders in accordance with the Russian securities law.

Holders of MMC Norilsk Nickel's shares (individuals and legal entities registered in the shareholder register and clients of nominal holders) can participate in the General Meeting of Shareholders through e-voting using the Shareholder's Personal Account should such option be provided for by the Board of Directors in the process of general meeting preparation. Access to the personal account can be obtained at a branch of Independent Registrar Company.

ADR holders do not receive ballot sheets directly from the Company. According to the depository agreement, the Company notifies the depository, which as soon as possible, and provided it is not prohibited by the Russian law, notifies ADR holders about the general meeting and encloses voting materials and a document describing the voting procedure for ADR holders. To exercise their voting rights, ADR holders instruct the depository accordingly.



**For more details on the Regulations on the General Meeting of Shareholders, please see the Investor Relations section on the Company's corporate website**

A General Meeting of Shareholders shall be considered properly convened (having a quorum) if the shareholders who own in aggregate more than 50% of the votes granted by the voting shares of the Company are present at the meeting.

Shareholders owning at least 2% of the Company's voting shares may propose items to be included in the agenda of Annual General Meetings of Shareholders and may put forward candidates for election to the Board of Directors and Audit

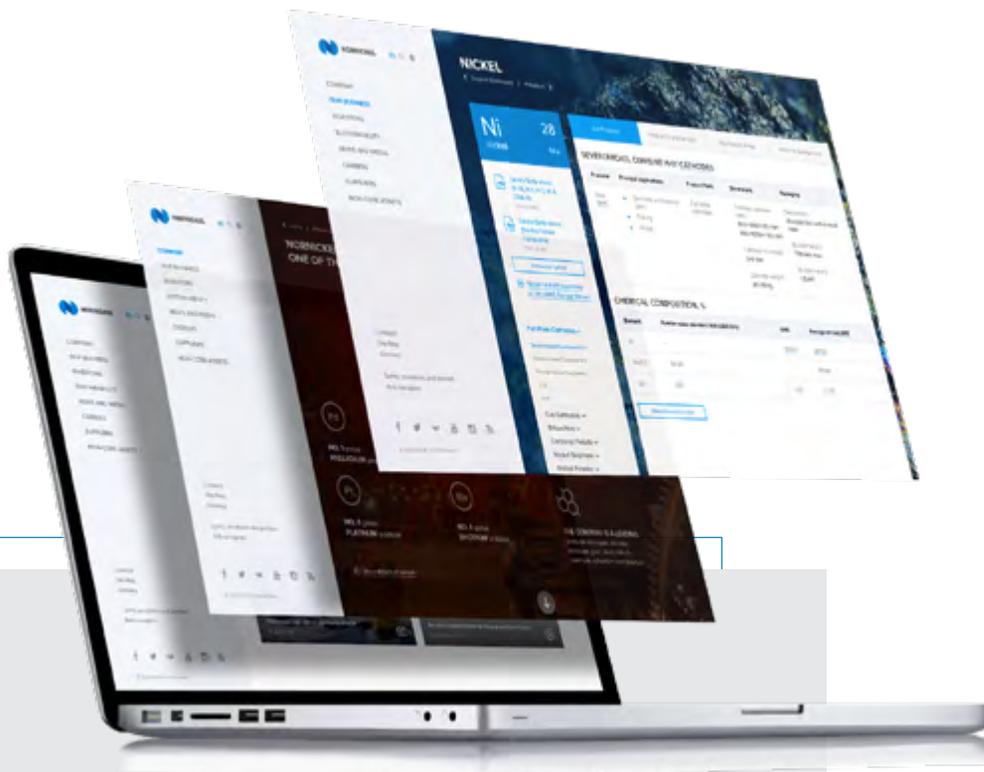
Commission of the Company as and when prescribed by the Federal Law and the Company's Charter.

Voting at the General Meeting of Shareholders is conducted in accordance with the "one share, one vote" rule, unless otherwise provided for in the Federal Law. Members of the Company's Board of Directors are elected through cumulative voting, i.e. the number of votes held by each shareholder is multiplied by the number of persons to be elected to the Board of Directors.

# Transparency



Nornickel corporate website



## 2017 MILESTONE

In September 2017, Nornickel launched a new corporate website, now operating on two domains – [www.nornickel.ru](http://www.nornickel.ru) and [www.nornickel.com](http://www.nornickel.com) for Russian and English speakers, respectively. The new website will help streamline interaction with stakeholders, tackle existing and potential business challenges and provide updates on key developments within the Company. Among other things, the website includes the new ESG Strategy subsection. To create the website, the Company leveraged best-in-class web technologies.

In 2017, the Company held

**>350**  
meetings

with institutional investors



For more details on the events, please see the IR Calendar on the Company's website

Company overview

Strategy overview

Market overview

Business overview

Corporate governance

Information for shareholders

Appendixes

In 2017, the Company's Board of Directors approved the amended version of MMC Norilsk Nickel's Information Policy Regulations, which primarily seeks to provide stakeholders with full and reliable information on the Company's operations and collect feedback.

In line with its key disclosure principles, the Company strives to provide any information on a regular and timely basis and make it available to stakeholders on the basis of equal rights and opportunities. We also work to ensure that the information is reliable and complete while maintaining a reasonable balance between transparent operations and business considerations. The Company provides updates in the media and on its corporate website at <https://www.nornickel.ru/>.

The Company's disclosure procedures comply with the Russian law, the rules of the Moscow Exchanges and international regulations.

MMC Norilsk Nickel also seeks to improve transparency by releasing additional information in excess of that required by the law. The Company discloses information to shareholders and investors through the following channels: press releases, presentations, annual reports, CSR reports,

statements on material facts, disclosure feeds, and RNS. The Company makes a point of parallel disclosure in domestic and foreign markets.

The Company's quarterly disclosures include operating indicators, the issuer's quarterly reports, RAS financial (accounting) statements, and affiliates lists. IFRS statements are disclosed on a semi-annual basis. The IFRS disclosures are followed by conference calls and webcasts of the Company's senior management with analysts and investors for the purpose of providing the market with the required information and comments. In addition, to enhance transparency, the Company makes extensive use of all communication tools available, including participation of senior managers in conferences, speeches, presentations, investor days, and production site visits for investors

The Company engages in an ongoing dialogue with both existing shareholders and potential investors. During the past year, the Company maintained close interaction with the investor community and shareholders, organising over 350 meetings with institutional investors and an Investor Day in London followed by a road show in Europe and the US.

# ESG: environmental protection, social responsibility and corporate governance

In recent years, the sustainable development agenda has been gaining ground, with an increasing number of investors and asset managers opting for responsible investment.

In 2017, the Company held around 20 target meetings with investors centred around environmental protection, social responsibility and corporate governance (ESG).

To improve interaction with investors and agencies engaged in assessing the Company against ESG criteria, Nornickel set up a dedicated section on its website that features all the required information: <https://www.nornickel.com/investors/esg/>

Also, it developed an ESG databook providing information on ESG indicators starting from 2010.

## Our key ESG achievements :

- In 2017, Nornickel earned a top position in the World Wildlife Fund's Environmental Responsibility Rating of Metals and Mining Companies in Russia;
- In 2017, the Company moved up from the last year's 56th to the 35th position in Sustainalytics's ESG rating, with a score of 58 against 49 in 2016;
- In January 2018, MSCI ESG Research upgraded Nornickel's rating to a B level following a reduction in sulphur dioxide emissions by 6% compared to 2015, and strong anti-corruption commitment;
- In December 2016, Nornickel was included in the FTSE4Good Emerging Index, a leading CSR index;
- In November 2016, the Company joined the United Nations Global Compact, also becoming member of the Association "National Global Compact Network" in June 2017.



**ESG Strategy**  
is available on website



**Internal documents  
and policies are available  
on website**

In 2017, the Company's Board of Directors approved a number of social and environmental policies available on the Company's website, including:

- ☐ Human rights policy
- ☐ Freedom of association policy
- ☐ Indigenous rights policy
- ☐ Local community relations policy
- ☐ Equal opportunities programme
- ☐ Working conditions policy
- ☐ Environmental policy (amended and supplemented)
- ☐ Biodiversity policy
- ☐ Environmental impact assessment policy
- ☐ Renewable energy sources policy
- ☐ Anti-corruption policy (amended and supplemented)

In 2017, the Company held around

**20**  
target meetings with ESG  
investors

# Stakeholder engagement

STAKEHOLDERS	KEY INTERESTS OF STAKEHOLDERS	INTERACTION MECHANISMS	KEY INTERACTION EVENTS IN 2017
Shareholders and investors	<ul style="list-style-type: none"> <li>• Capitalisation growth</li> <li>• Dividend payments</li> <li>• Transparency of information</li> </ul>	<ul style="list-style-type: none"> <li>• One-on-one meetings</li> <li>• Conference calls</li> <li>• Phone calls</li> <li>• Emails</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Investor Day in London</li> <li>• Conference calls and a road show following the disclosure of IFRS financial statements</li> </ul>
Investment banks (brokers)	<ul style="list-style-type: none"> <li>• Transparency of information</li> <li>• Stability</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Conference calls</li> <li>• Phone calls</li> <li>• Emails</li> </ul>	<ul style="list-style-type: none"> <li>• Investor Day in London</li> <li>• Conference calls and a road show following the disclosure of IFRS financial statements</li> </ul>

The Company's 2016 Annual Report won 10 awards and diplomas at prestigious Russian and foreign contests, including those hosted by the, Expert RA, Vision Awards LACP, ARC and Moscow Exchange. The report boasts eight LACP awards, including top platinum in the printed version and silver in the online annual reports in the mining category.

The Company's 2016 Corporate Social Responsibility Report won four awards in the LACP's Vision Awards competition while also ranking among Top 40 non-financial reports globally and topping among CSR reports of Russian metals and mining companies. CSR report also received a special award at the Moscow Exchange.

Nornickel's website won the Moscow Exchange's award for the best design, navigation and disclosure, and ARFI's IR-cases contest.

