

Dividend policy

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 payment procedure.

Upon the Board's recommendations, the General Meeting of Shareholders determines the dividend amount and record date, which, as per Russian laws, is to be set within 10–20 days of the General Meeting of Shareholders.

Dividends to a nominee holder are paid directly within 10 business days, while dividends to persons listed on the shareholder register are paid through the registrar within 25 business days after the record date.

Any person who has not received the declared dividend because their 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 unpaid dividend within three years from the date of the resolution to pay the dividend. Beyond this period, any declared but unclaimed dividends are recovered as part of the undistributed profit of the Company, and there will be no obligation to pay them.

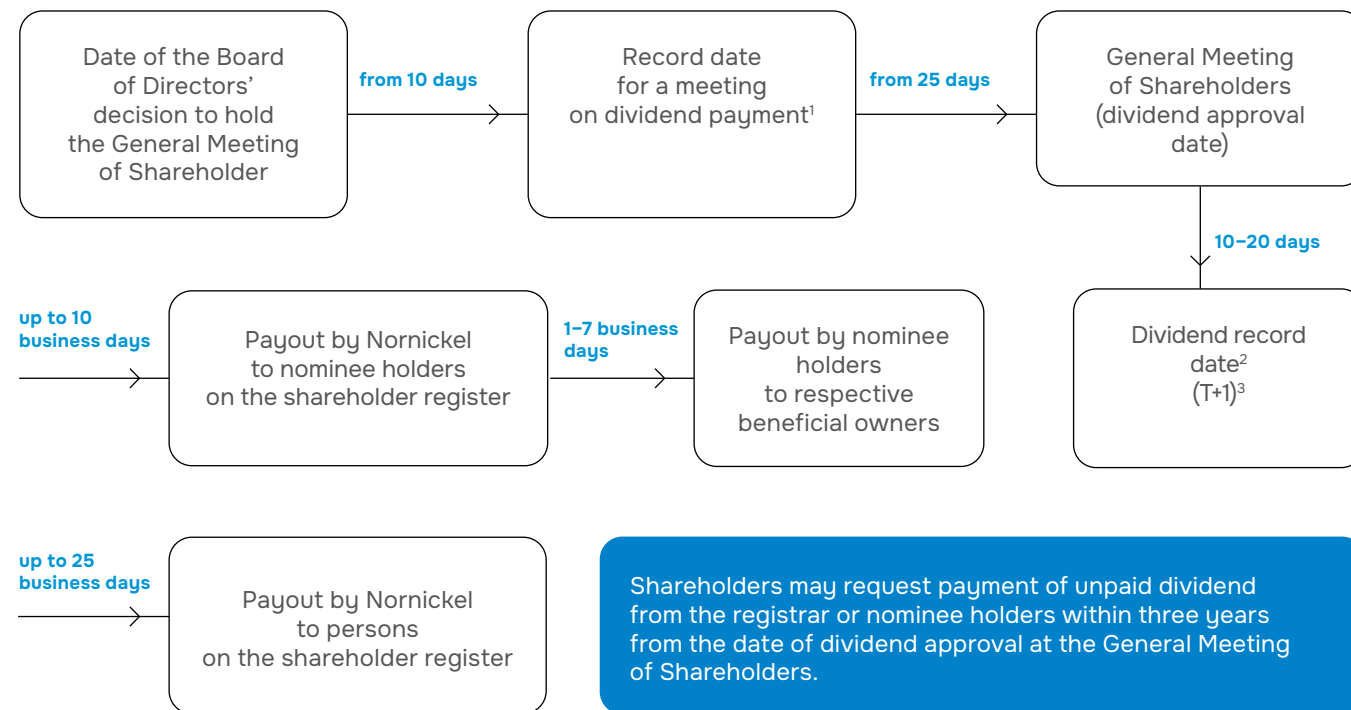
In 2023, the Company paid dividends subject to current regulatory restrictions:

- Shareholders who are customers of foreign nominee holders and ADR holders: dividends were paid directly to security holders; the payment was made if information

to identify the security holder and other information required to make the payment was available

- Certain categories of foreign shareholders: dividends were paid to type "C" accounts opened with Russian credit institutions

Dividend payment dates



Report on dividend paid⁴

Reporting period for which dividends were paid	Total dividend paid		Declared dividend per share
	USD mln	RUB mln	RUB
9M 2023	1,475	129,982	915
2022	0	0	0
2021	6,196	410,917	2,689
2020	3,532	259,893	1,645
2019	5,011	323,482	2,045

Dividends in 2023

On 7 December 2023, the Extraordinary General Meeting of Shareholders resolved to pay 9M 2023 dividend of RUB 915.33 per ordinary share, with the amount

of dividend payout totalling close to RUB 130 billion (about USD 1.5 billion).

RUB 915.33
Total dividend per ordinary share in 2023

> RUB 130 BN
Total dividend paid in 2023

¹ Meeting record date is the date on which shareholders need to hold shares in the Company to be entitled to participate in the meeting.
² Dividend record date is the date on which shareholders need to hold shares in the Company to be entitled to receive dividend on such shares.
³ Ex-dividend date is the date on which shares are traded without granting the right to receive the next dividend. Stocks are traded on the Moscow Exchange on a T+1 basis, that is, shares purchased by investors are not delivered to them until one business day has elapsed after the purchase.

⁴ Earlier dividend history is available at the [Company website](#). Dividends are paid out to shareholders within three years from the respective dividend resolution date. Beyond this period, any unclaimed dividends are recovered as part of the undistributed profit of the Company, and there will be no obligation to pay them. Including RUB 32.3 billion, or USD 0.5 billion in dividend payments to ADR holders for 2021, transferred to the depository (NSD) and returned to the Company due to the restrictions imposed by the President's Executive Order No. 95 dated 5 March 2022 and the Resolution of the Bank of Russia's Board of Directors dated 10 June 2022.

Securities taxation

Income from securities is taxable pursuant to the applicable laws of the Russian Federation.

Under international double tax treaties, non-Russian tax residents may claim a reduced rate of withholding tax or relief from tax in Russia¹. To claim these benefits, non-residents need

to submit the following 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 tax treaty (tax residency certificate)
- A confirmation of the actual right to receive income
- A confirmation that they meet other conditions set forth in the applicable treaty

If such confirmations are not provided by the date of income payment, the tax shall be withheld at the standard rates.

Dividend tax formula for Russian residents

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

where

AT – amount of tax to be withheld

P – proportion of the dividend amount payable to one recipient to the total dividend amount to be distributed

TR – tax rate stipulated by the Russian Tax Code

D₁ – dividend amount to be distributed among all recipients

D₂ – dividend amount² received by the organization at the time of distribution of dividends in favor of shareholders (participants), provided that previously this amount was not included in the taxable income

Taxation of income from securities (%)

Shareholder	From transactions	Interest	Dividend
INDIVIDUALS			
Residents	13/15 ^{3,4}	13/15 ⁴	13/15 ⁴
Non-residents	30 ³	30	15
LEGAL ENTITIES			
Residents	20 ³	20	13 ⁵
Non-residents	20 ⁶	20	15

¹ Executive Order of the Russian President No. 585 dated 8 August 2023 suspended the main provisions of double tax treaties between Russia and “unfriendly” countries.

² Excluding the dividend amount eligible for a zero tax rate pursuant to Subclauses 1-1.1, Clause 3, Article 284 of the Russian Tax Code.

³ 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 Clause 2, Article 284.2 of the Russian Tax Code have been met. The terms and conditions of applying the 0% rate to international holding companies are set forth in Article 284.7 of the Russian Tax Code. Pursuant to Subclause 1, Clause 1, Article 219.1 of the Russian Tax Code, individuals who are Russian tax residents are eligible for investment tax deductions in the amount of the profits from sales of the Company shares owned by the taxpayer for over three years.

⁴ Pursuant to Clause 1, Article 224 of the Russian Tax Code, a tax rate of 15% applies to income over RUB 5 million for the reporting period.

⁵ 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.

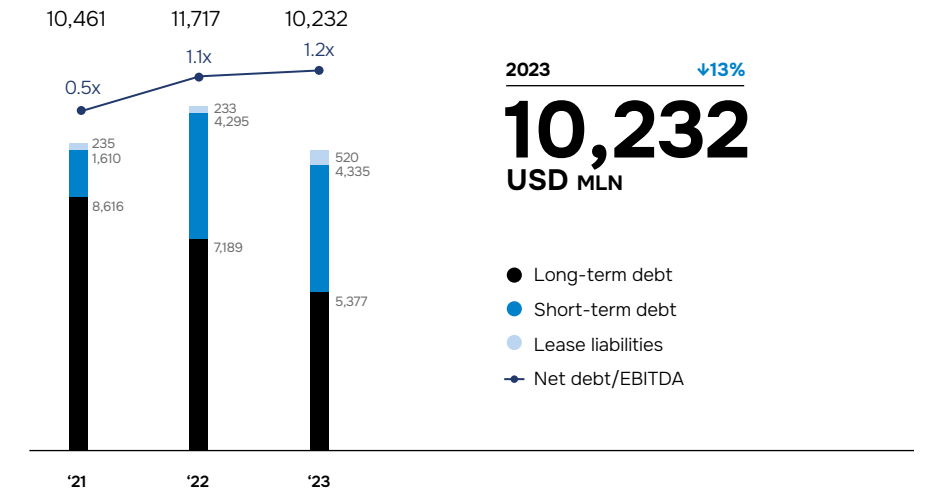
⁶ If the income is classified as income of a foreign entity from sources in Russia in accordance with Clause 1, Article 309 of the Russian Tax Code.

Debt portfolio management

Debt management

Nornickel maintains a conservative approach to managing its debt. As at 2023-end, its net debt/12M EBITDA stood at 1.2x. To raise new debt, the Company considers both public instruments and bank loans, striving to balance both in its debt portfolio. When choosing debt financing sources, the Company pays particular attention to the debt currency and loan parameters. The Company strives to maintain a comfortable level of liquidity and standby credit facilities to cover its refinancing needs.

Debt profile (USD MLN)



As at 2023-end, the Company’s debt decreased by 13% from 31 December 2022 to USD 10,232 million, driven among others by a weaker rouble during 2023.

Bonds

In May, the Company placed a five-year RUB 60 billion exchange-traded bond with a coupon rate of RUONIA + 1.3%, named by Cbonds as the Best Primary Offering of a Metals Company.

In April, the Company timely fulfilled its obligation to redeem its USD 1 billion eurobond.

The Company closely monitors changes in the external regulatory environment to enable timely responses, while prioritising strict compliance with the terms of debt

instruments and promptly aligning loan documents with applicable laws. The Company meets all payment schedules on time, fully servicing its debt as planned. In addition, the Company timely renews permits from the Russian Government required to make payments of principal and interest in foreign currencies to foreign creditors.

The Company continues to make split coupon payments on all of its eurobonds in accordance with the terms and conditions of the offering documents and the requirements of Russian laws: payments to holders whose rights are recorded by Russian depositories and holders whose rights are recorded by foreign institutions. The scheduled redemption of the eurobond in April also involved split payments.

In November 2023, the Expert RA national rating agency affirmed the Company’s highest investment-grade credit rating “ruAAA”.