

**APPROVED**  
**By Resolution of the Board of Directors of**  
**OJSC MMC Norilsk Nickel,**  
**Minutes No. GMK/27-pr-sd**  
**of September 11<sup>th</sup>, 2014**

**Code of Business Conduct and  
Ethics for Members of the Board  
of Directors of OJSC MMC Norilsk  
Nickel**

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## 1. PURPOSE

The Board of Directors of OJSC MMC Norilsk Nickel (the "Company") is committed to the highest standards of integrity and business conduct. The Board believes that operating with the highest level of honesty and integrity is critical to protect the interests of the Company and its shareholders. Accordingly, the Board adopts this Code of Business Conduct and Ethics (the "Code").

The Code is intended to help foster the highest ethical standards, integrity, and accountability; focus the Board and each director on areas of potential ethical risk and conflicts of interest; provide guidance to directors to help them recognize and deal with ethical issues; and provide mechanisms to report unethical conduct.

## 2. APPLICABILITY AND SCOPE

Each MMC Norilsk Nickel director must comply with the letter and spirit of this Code. Directors who also serve as officers or employees of MMC Norilsk Nickel must also comply with the MMC Norilsk Nickel Code of Business Ethics.

Although this Code provides standards of conduct for a range of business practices and procedures, it cannot and does not cover all possible situations that may arise. Therefore, it is intended to serve as a source of guiding principles for directors. Accordingly, all directors are expected to conduct themselves in a manner consistent with the spirit and letter of this Code and avoid even the appearance of improper behavior.

Directors are encouraged to bring questions about particular circumstances that may involve this Code via the Corporate Secretary (the "Secretary") to the attention of the Chair of the Corporate Governance, Nomination and Remuneration Committee, who may consult with inside or outside legal counsel, as appropriate.

## 3. OUR VALUES

Each director is expected to adhere to the core values of MMC Norilsk Nickel, which include:

- **Integrity and loyalty**, as any director should act in the best interest of the Company;
- **Honesty and fairness** in the conduct of directors' duties;
- **Professionalism** expressed through focus on shareholder value creation with accountability for safety, environment and support of communities.

These values define the way MMC Norilsk Nickel manages various economic, social and environmental challenges, and signify commitment to sustainable development.

## 4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

All directors are expected to conduct all their business and personal affairs in full compliance with both the spirit and letter of all applicable laws, rules and regulations, and corporate policies. All directors shall also encourage, promote, and use all reasonable efforts to oversee compliance by employees, officers and other directors with all laws, rules and regulations, and corporate policies through appropriate means.

## 5. CONFLICTS OF INTEREST

Each director has a fiduciary duty of loyalty to the Company. As part of this duty, each director must avoid engaging in transactions or relationships in which the interests of the director conflict, or may appear to conflict, with those of the Company as a whole. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly via the Secretary to the Chair of the Board.

A "conflict of interest" occurs when a director's personal interest interferes, or may appear to interfere, in any way, with the interests of the Company. A conflict situation can arise when a director of the Company takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when a director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position as a director.

If a director has a personal interest in a matter before the Board of Directors, the director will disclose the interest to the full Board of Directors prior to discussion as to such matter or deliberation, excuse himself or herself from participation in the discussion, and will not vote on the matter. Personal interests may include commercial, industrial, banking, consulting, legal, accounting, charitable, and financial relationships, among others.

This Code does not attempt to describe all possible conflicts of interest that could develop. Some of the more common conflicts from which directors must refrain, however, are as follows:

- **Relationship of the Company with third parties.** Directors may not knowingly engage in any conduct or activities that are inconsistent with the Company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship. A director shall recuse himself or herself from any Board decision involving another firm or company with which the director is affiliated.
- **Director as a representative of a stockholder of the Company.** In certain instances, a director of the Company may also be an officer, director or employee of a stockholder of the Company. A director who serves in such capacity shall not be deemed to violate this Code by virtue of such service. However, in instances where there is an apparent conflict of interest between the Company and such stockholder, it is anticipated that such director will disclose to the members of the Board the nature of such conflict and the personal financial or other interest of such director in the stockholder and, where deemed necessary or appropriate, abstain from the approval of such matter.
- **Director as a representative of a lender to the Company.** In certain instances, a director of the Company may also be an officer, director or employee of a lender to the Company. A director who serves in such capacity shall not be deemed to violate this Code by virtue of such service. However, in instances where there is an apparent conflict of interest between the Company and the lender, it is anticipated that such director will disclose to the members of the Board the nature of such conflict and the personal financial or other interest of such director in the lender and, where deemed necessary or appropriate, abstain from the approval of such matter.
- **Gifts, entertainment, gratuities, and other favors.** Directors and members of their immediate families may not accept gifts from persons or entities that deal with the Company

in those cases where any such gift is being made in order to influence the directors' actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

- **Personal use of Company assets.** Directors may not use Company assets, labor or information for personal use, unless approved as part of a compensation or expense reimbursement program available to all directors.
- **Loans or guarantees.** Directors and members of their immediate family may not accept loans, or any other guarantee of an obligation, from the Company.
- **Other business activity.** Directors must not engage in any entrepreneurial business activity that is competitive with any Company business. Likewise, directors must not influence or attempt to influence any business transaction between the Company and another entity in which a director has a direct or indirect financial interest.
- **Compensation from non-Company sources.** Directors may not accept from any source other than the Company compensation in any form for services performed for the Company
- **Outside directorships.** Outside directorships can create a conflict of interest situation for a director. Directors are prohibited from being a director or officer of any customer, supplier or competitor of the Company without the prior consent of the Board. In addition, prior approval of the Board is required for a director or officer position with a not-for-profit entity which the Company has a business relationship with or if there is an expectation of financial or other support from the Company.

Questions regarding potential conflicts of interest should be directed via the Secretary to the Chair of the Corporate Governance, Nomination and Remuneration Committee.

## 6. CORPORATE OPPORTUNITIES

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors are therefore prohibited from:

- a) Using the Company's property, information or the director's position for personal or professional gain;
- b) Taking for themselves personally, or for the organizations with which they are affiliated, opportunities related to the Company's business that are discovered through the use of Company property, information or their position as a director; or
- c) Competing with the Company, directly or indirectly, for business opportunities that the Company is pursuing. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the director takes away from the Company opportunities for sales or purchases of products, services or interests. If the Company's disinterested directors determine, however, that the Company will not pursue an opportunity that relates to the Company's business, a director may then pursue the opportunity, provided proper disclosure procedures have been followed and subject to there being no conflict with any other aspect of the director's duty of loyalty to the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and there are both personal and Company benefits in certain activities. Directors who intend to make use of Company property or services in a manner not solely for the benefit of the Company should consult

beforehand, via the Secretary, with the Chair of the Corporate Governance, Nomination and Remuneration Committee.

## **7. FAIR DEALING**

Directors shall endeavor to respect the rights of and deal fairly with the Company's officers, employees, the public, and one another at all times and in accordance with ethical business practices. Directors shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. Directors shall satisfy themselves that appropriate policies and procedures are in place for fair dealing by employees and officers with the Company's customers, suppliers, competitors, officers, and employees.

## **8. TRADING ON INSIDER INFORMATION**

Each director is subject to the provisions of the securities laws and the Company's policies on insider trading.

### **8.1 GENERAL PROHIBITION ON TRADING AND DISCLOSURE**

Directors are not allowed to use insider information for:

- a) Directly or indirectly buying, selling or otherwise transferring (such as making gifts of) any securities while in possession of inside information except for situations where transfer of securities is part of a due closing of a transaction originated before the Director came into possession of insider information;
- b) Further dissemination of insider information except for situations where such information is transmitted to an authorized person in conjunction with execution of his/her duties or in compliance with existing legislation;
- c) Giving third parties recommendations or otherwise enticing them to act upon the insider information.

Directors should avoid any action which might be considered market manipulation as defined by Federal Law No. 224-FZ "On Preventing Illegal Use of Insider Information and Market Manipulation, and Amending Certain Regulations of the Russian Federation", dated July 27<sup>th</sup>, 2010.

Directors are expected to treat insider information professionally, ensuring and safeguarding its integrity, and to avoid intentional or unintentional disclosure to third parties except when it is necessary for conduct of MMC Norilsk Nickel's business.

Directors should abstain from giving recommendations about operations on financial markets if there is a risk that the information used by them will concern the Company's operations or future plans.

### **8.2 TRADING WINDOWS**

To help protect against inadvertent insider trading violations, directors are not allowed to deal in Company securities during the following specified "blackout periods":

- a. From March 1<sup>st</sup> until the second working day following the publication of the annual consolidated financial report for the previous financial year;
- b. From July 15<sup>st</sup> until the second working day following the publication of the interim consolidated financial report for the first half of the year.

In addition to the timeframes listed above, the Secretary may impose additional event-specific “blackout periods” for operations with Company securities. The exact dates shall be communicated to directors via email by the Secretary.

### **8.3 COMPLIANCE, REPORTING AND OTHER OBLIGATIONS**

Any director who is uncertain about the requirements regarding conclusion of transactions with any Company securities or any securities of other issuers (for example, large contractors or potential parties to M&A transactions) that he or she is familiar with by virtue of his or her position on the Board should consult, via the Secretary, with the Chair of the Corporate Governance, Nomination and Remuneration Committee before concluding any such transaction.

If a director is aware of a potential insider trading violation, he or she should contact, via the Secretary, the Chair of the Corporate Governance, Nomination and Remuneration Committee.

## **9. CONFIDENTIALITY**

Directors have a fiduciary duty to maintain the confidentiality of all confidential and proprietary information of MMC Norilsk Nickel and of those with whom MMC Norilsk Nickel does business, including its subsidiary companies, customers, consumers or suppliers, except when disclosure is required by law or regulation or is legally mandated.

Confidential information includes all non-public information that might be of use to competitors, or harmful to MMC Norilsk Nickel or its subsidiary companies, if disclosed. It also includes information that subsidiary companies, customers, consumers or suppliers have entrusted to MMC Norilsk Nickel. If there is any question about whether information is confidential or proprietary or non-public, a director should consult, via the Secretary, with Chair of the Corporate Governance, Nomination and Remuneration Committee.

Directors are expected to take all appropriate steps to minimize the risk of disclosure of confidential information entrusted to or obtained by them. The obligation to preserve, and not disclose, confidential information continues even after a director’s term with the Company ends.

## **10. PROTECTION AND PROPER USE OF COMPANY ASSETS**

Directors shall protect, and oversee protection and efficient and proper use of Company assets, including assets such as equipment, inventory, supplies, and intellectual property.

Directors may not use Company assets, labor or information to pursue personal opportunities or gain. Examples of prohibited personal use of Company assets include removal of MMC Norilsk Nickel property for personal use, unauthorized use of MMC Norilsk Nickel vehicles or use of Company-paid contractors to perform work at one's home. Unauthorized copying of software, tapes, books, and other legally protected work is also a misuse of assets and creates potential

financial and legal liability for the Company. All Company assets shall be used for legitimate business purposes.

Any act by an MMC Norilsk Nickel director that involves theft, fraud, unauthorized disclosure, embezzlement or misappropriation of any property is prohibited. Each director is responsible for the assets under his/her control. Each director must follow security procedures to protect assets and must be alert to situations that could lead to loss or misuse of assets.

## **11. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR**

Directors should promote ethical behavior and encourage an environment in which MMC Norilsk Nickel encourages employees to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation.

Directors shall promptly report any suspected violations of this Code or of any applicable law, rule or regulation by any director or employee via the Secretary to the Chair of the Corporate Governance, Nomination and Remuneration Committee. Any concerns relating to the Chair of the Corporate Governance, Nomination and Remuneration Committee should be communicated to the Chair of the Audit Committee.

Retaliation in any form against an individual who reports a suspected violation in good faith, even if the report is mistaken, or who assists in the investigation of a reported violation, is not permitted. Any act or threatened act of retaliation should be reported immediately via the Secretary to Chair of the Corporate Governance, Nomination and Remuneration Committee.

## **12. ENFORCEMENT OF CODE**

Reports of possible violations of this Code will be investigated by or at the direction of the Corporate Governance, Nomination and Remuneration Committee or the Audit Committee, as appropriate. In investigating an alleged violation of this Code, the Chairman of the responsible Committee or his or her representative shall speak with the claimant and verify correctness of underlying information. The Committee also shall notify the respondent of the alleged violation and afford him or her opportunity to comment on the evidence considered by the Committee.

If deemed necessary, the Chair of the Committee conducting the investigation may engage independent investigators within the budget approved by the Board of Directors.

At the conclusion of the investigation, the Committee shall prepare a written report, which should be shared with the Chairman of the Board, the respondent, the person originating the allegation and any other relevant parties, as determined by the Committee.

Action taken in the event of a violation of this Code shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code. In determining what action is appropriate in a particular case, the appropriate Committee shall take into account all relevant information, including the nature and severity of the violation, whether the violation appears to have been intentional or inadvertent, and whether the individual in question had been advised prior to the violation as to the proper course of action.

In resolving a case, the appropriate Committee may dismiss it; recommend that it be resolved with a reprimand or censure for consideration during the annual performance evaluation; or offer the respondent the option of resigning subject to stipulated conditions and subject to approval by the Board of Directors.

Each director shall consult with the Chair of the Corporate Governance, Nomination and Remuneration Committee, via the Secretary, if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to this Code.

### **13. WAIVER OR AMENDMENTS TO CODE**

Any waiver, explicit or implicit, of this Code, and any amendment to this Code may be made only by the Board upon recommendation of the Corporate Governance, Nomination and Remuneration Committee.

### **14. ANNUAL REVIEW**

The Board shall review and reassess the adequacy of the Code annually and make any amendments to the Code that the Board deems appropriate.