

**REPORT OF THE BOARD OF DIRECTORS
OF OJSC MMC NORILSK NICKEL**
including a reasoned viewpoint of the Company's Board of Directors
on agenda of the Annual General Meeting of the shareholders of the Company
held on June 6, 2013

1. Approval MMC Norilsk Nickel's 2012 Annual Report.

Recommendation:

The Board of Directors recommends approving the Annual report of OJSC MMC Norilsk Nickel for 2012.

Viewpoint of the Board of Directors:

The Board of Directors preliminarily studied the Annual report.

The Annual report was developed in accordance with Federal Law 'On Joint-Stock Companies' and complies with the requirements of Statement on additional requirements for preparing, calling and holding General Meeting of Shareholders approved by Resolution of Federal Commission for the Securities Market of the Russian Federation No.17/ps of 31.05.2002 and Regulation for Disclosing of Information by Issuers of Equity Securities approved by the Order of Russia's Federal Financial Markets Service No. 11-46/pz-n of 04.10.2011 concerning the content of the Annual Report, recommendations of the Corporate Codes of Conduct, and Resolution of Russia's Federal Commission for the Securities Market 'Guidelines for the Content and Form of Disclosed Data on Compliance with the Corporate Codes of Conduct in Annual Reports of Joint-Stock Companies' No. 03-849/r of 03-849/p concerning the content of a report on compliance with the Corporate Codes of Conduct.

2. Approval of MMC Norilsk Nickel's 2012 Annual Accounting Statements including Profit and Loss statement.

Recommendation:

The Board of Directors recommends approving MMC Norilsk Nickel's 2012 Annual Accounting Statements including Profit and Loss statement.

Viewpoint of the Board of Directors:

The Board of Directors preliminarily studied the Annual financial statements for 2012. The Board of Directors also examined the opinion of the Company's auditor, i.e. Rosexpertiza LLC, concerning RAS financial statements of OJSC MMC Norilsk Nickel and the opinion of the Internal Audit Commission of OJSC MMC Norilsk Nickel on the performance of OJSC MMC Norilsk Nickel in 2012.

Having analyzed the provided information and based on the auditor's and the Internal Audit Commission opinions, the Board of Directors believes that the RAS financial statements were prepared according to applicable rules and give a true and fair view of the Company's financial position in 2012.

3. Approval of MMC Norilsk Nickel's 2012 consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Recommendation:

The Board of Directors recommends approving the consolidated annual financial statements of OJSC MMC Norilsk Nickel for 2012.

Viewpoint of the Board of Directors:

The Board of Directors preliminarily studied the consolidated annual financial statements for 2012, prepared in accordance with International Financial Reporting Standards.

The Board of Directors also examined the opinion of the Company's auditor, i.e. CJSC KPMG, concerning consolidated IFRS financial statements of OJSC MMC Norilsk Nickel and the opinion of the Internal Audit Commission of OJSC MMC Norilsk Nickel on the performance of OJSC MMC Norilsk Nickel in 2012.

Having analyzed the provided information and based on the opinion of the Auditor and Internal Audit Commission, the Board of Directors believes that the consolidated financial statements give a true and fair view of the Company's financial position in 2012 as of December 31, 2012, and that its financial results and cash flow statements for 2012 were prepared in accordance with the International Financial Reporting Standards.

4. Distribution of profits and losses of OJSC MMC Norilsk Nickel for 2012, including payment (announcement) of dividends, based on the results of 2012 financial year.

Recommendation:

The Board of Directors recommends approving the following distribution of profits and losses of OJSC MMC Norilsk Nickel for 2012:

Announce dividends on ordinary shares of OJSC MMC Norilsk Nickel, based on the results of financial year 2012, in the amount of RUB 400.83 per ordinary share. Dividend payments shall be carried out in cash.

It is proposed not to distribute net profits left after dividend payouts.

For reference:

	<i>million RUB</i>
RAS net profit	70 137
Net profit allocated to dividend payment	63 430
(90 % of the net profit)	

Viewpoint of the Board of Directors:

The Board of Directors analyzed the production and financial results of OJSC MMC Norilsk Nickel for 2012, the current financial position, investment program, prioritized directions of the production and social development of OJSC MMC Norilsk Nickel in the future. Having analyzed the provided information and based on the auditor's opinion on the RAS financial statements, the Board of Directors believes that OJSC MMC Norilsk Nickel can distribute the net profit as described above.

The Board of Directors of OJSC MMC Norilsk Nickel believes that the Company has a reason to declare dividend on the Company's shares for 2012 and pay the dividend in accordance with Article 43 of the Federal Law 'On Joint-Stock Companies' assuming that as of the date of the decision on payment of the dividend and the date of dividend payment:

- OJSC MMC Norilsk Nickel does not show any signs of insolvency (bankruptcy) in

accordance with applicable laws on insolvency (bankruptcy) of the Russian Federation and will not acquire the signs as a result of the dividend payment;

- the value of net assets of OJSC MMC Norilsk Nickel is not less than its authorized capital and reserve fund and does not become less than the mentioned capitals as a result of adopting of the decision to pay the dividend and the dividend payment (as of 31.12.2012 the value of net assets of OJSC MMC Norilsk Nickel is 512,973 million rubles and exceeds the authorized capital and reserve fund by 512,754 million rubles)

Hence, the Board of Directors does not expect that the dividend declaration and payment based on the results of 2012 will affect the strategic potential of OJSC MMC Norilsk Nickel in the long run.

5. Election of members of the Board of Directors of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends the shareholders to vote for candidates that meet the requirements set for Independent Directors of the Board of Directors.

Viewpoint of the Board of Directors:

The Company is interested in having Independent Directors as members of the Board of Directors who have both knowledge and skills in the area of finance, production and strategy of holdings and can assist in the development of OJSC MMC Norilsk Nickel as one of the leaders of the global mining industry.

6. Election of members of MMC Norilsk Nickel's Audit Committee.

Recommendation:

The Board of Directors recommends supporting the election to the Audit Committee of five candidates listed in the bulletin including Petr Valerievich Voznenko, Natalia Vladimirovna Gololobova, Dmitriy Viktorovich Pershikov, Georgiy Eduardovich Svanidze and Vladimir Nikolaevich Shilkov.

Viewpoint of the Board of Directors:

In accordance with paragraph 12.2. of the of MMC Norilsk Nickel's Charter the Audit Committee consists of 5 members.

All candidates to the position of a member of the Audit Committee are recognized experts whose business experience and accounting, financial and auditing knowledge and skills will help the Audit Committee to fulfill its tasks more effectively.

7. Approval of the Auditor of RAS statements of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends approving LLC Rosexpertiza as the Auditor of 2013 RAS financial statements of OJSC MMC Norilsk Nickel.

Viewpoint of the Board of Directors:

LLC Rosexpertiza has been an auditor of OJSC MMC Norilsk Nickel and enterprises that form the

Group of OJSC MMC Norilsk Nickel in 2012.

LLC Rosexpertiza specializes in providing services to major strategic companies involved in basic areas of the Russian economy including oil and gas extraction, mining production and metallurgy, power economy, nuclear production, machine and instrument engineering (including defense industry), transportation and communications, commerce and credit and finance industry.

LLC Rosexpertiza has accumulated considerable experience in providing audit and consulting services to customers involved in metallurgy and instrument engineering.

8. Approval of the Auditor of IFRS consolidated financial statements of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends approving CJSC KPMG as the Auditor of 2013 IFRS consolidated financial statements of OJSC MMC Norilsk Nickel.

Viewpoint of the Board of Directors:

CJSC KPMG was in charge of audit of the IFRS consolidated financial statements of OJSC MMC Norilsk Nickel in 2009-2012.

CJSC KPMG is one of the leading international auditing organizations included in the “Big Four”. CJSC KPMG has accumulated considerable experience in providing audit services to leading mining and metallurgy companies.

9. Remuneration and reimbursement of expenses of Independent Directors who are members of the Board of Directors of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends approving the amount of remuneration and expense reimbursement for Independent Directors. Proposed remuneration amount and the reimbursement of expenses of the Independent Directors – members of the Board of Directors of OJSC MMC Norilsk Nickel are determined based on global corporate practice, accounting for the experience of major companies operating in various sectors of economics and taking into consideration opinions of reputable consultants, concerning current market practices for remuneration of independent members of the Board of Directors.

Viewpoint of the Board of Directors:

In accordance with paragraph 2 of article 64 of the Federal Law ‘On Joint-Stock Companies’ the approving of remuneration paid to members of the Board of Directors and of expenses associated with execution of their duties as members of the Board of Directors are reserved matters of the General Meeting of the Shareholders. Accordingly, it is recommended that the Meeting of Shareholders approves remuneration amount and reimbursement expenses for independent members of the Board of Directors.

10. Approval of interested party transactions related to reimbursement of the losses of the members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends approving the associated transactions that are interested party transactions for all members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel the subject matter of which implies the obligation of OJSC MMC Norilsk Nickel to indemnify the members of the Board of Directors and the Management Board of OJSC MMC Norilsk Nickel for any and all losses that the mentioned persons may bear as a result of their election to the mentioned positions in the amount of no more than 115,000,000 (one hundred fifteen million) US Dollars for each member.

Viewpoint of the Board of Directors:

In accordance with the Corporate Codes of Conduct approved by Resolution of Russia's Federal Commission for the Securities Market No. 421/r of April 4, 2002 it is recommended for a joint-stock company to use its own funds to insure the liability of the members of the Board of Directors so that if the Company or third parties incur any losses through a fault of the members of the Board of Directors, the losses could be indemnified using the funds of an insurance company. Based on estimates of Russia's Federal Commission for the Securities Market and global practices, insuring the liability of the members of the Board of Directors will not only help improve the effectiveness of the civil liability but also convince competent experts of becoming members of the Board of Directors.

The procedure of insuring the liability of officials envisions the negotiation of an Indemnity Agreement between OJSC MMC Norilsk Nickel and each member of the Board of Directors and of the Management Board. The mentioned agreements provide for the obligation of OJSC MMC Norilsk Nickel to reimburse members of the Board of Directors and the Management Board for any and all losses that they may incur as a result of being elected to corresponding positions.

11. Approval of a interested party transaction related to insurance of the liability of members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends approving the interested party transaction for all members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel the subject matter of which is the insuring by a Russian insurance company of the liability of the members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel who are beneficiaries for the purposes of the transaction for a term of one year with a limit of liability in the amount of 200,000,000 (two hundred million) US Dollars, and a limit of 6,000,000 (six million) US Dollars for independent directors over the total limit, and a limit of liability under an additional extension of the coverage for the master agreement in the amount of 25,000,000 (twenty five million) US Dollars and with payment of an insurance premium that does not exceed 1,200,000 (one million two hundred thousand) US Dollars.

Viewpoint of the Board of Directors:

In accordance with the Corporate Codes of Conduct approved by Resolution of Russia's Federal Commission for the Securities Market No. 421/r of April 4, 2002 it is recommended for a joint-stock company to use its own funds to insure the liability of the members of the Board of Directors so that if the Company or third parties incur any losses through a fault of the members of the Board of Directors, the losses could be indemnified using the funds of an insurance company. Based on estimates of Russia's Federal Commission for the Securities Market and global practices, insuring the liability of the members of the Board of Directors will not only help improve the effectiveness of the civil liability but also convince competent experts of becoming members of the Board of Directors. The amount of the insurance premium will not exceed 1,200,000 (one million two hundred thousand) US Dollars.

12. Reducing the share capital of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends reducing the Company's share capital by RUB 13,911,346 to RUB 158,245,476 by redeeming 13,911,346 of the Company's ordinary shares with a par value of RUB 1 each, acquired by the Company as a result of Corvest Limited liquidation.

Viewpoint of the Board of Directors:

As a result of voluntary liquidation of OJSC MMC Norilsk Nickel's (hereinafter – the Company) subsidiary – Corvest Limited – carried out on the basis of the resolution of the Company's Board of Directors of 29.03.2013 (minutes of the meeting No.GMK/15-pr-sd of 01.04.2013), 13,911,346 ordinary shares of the Company were transferred to the Company's Account in the registry of the owners of the Company's registered shares, which corresponds to 8.08% of the Company's share capital. The Board of Directors considers it advisable to cancel abovementioned ordinary shares of the Company in full amount.

13. Approval of restated Charter of the Company.

Recommendation:

The Board of Directors recommends approving restated Charter of the Company.

Viewpoint of the Board of Directors:

Approval of restated Charter of OJSC MMC Norilsk Nickel is necessary due to changes in corporate legislation of the Russian Federation and due to expansion of the competency of the Company's Board of Directors.

14. Related party transaction between the Company and CJSC NORMETIMPEX (signing of additional agreement No.1 and instruction to commission Contract No. NN/1001-2009 of 21.12.2009).

Recommendation:

The Board of Directors recommends approving the following transactions between the Company and CJSC NORMETIMPEX: signing of additional agreement No.1 and instruction to commission Contract No.NN/1001-2009 of 21.12.2009

Viewpoint of the Board of Directors:

Currently, export and domestic sales of the products owned by OJSC MMC Norilsk Nickel (hereinafter – the Company) are carried out through CJSC NORMETIMPEX, acting on its own behalf (within the scope of concluded commission Contract). Subsequently, in order to ensure distribution of the products of OJSC MMC Norilsk Nickel, it is additionally planned to instruct (register and Instruction to commission Contract) CJSC NORMETIMPEX to conclude transactions, providing annual export and domestic sales of the products owned by the Company.

15. Interested party transactions between the Company and OJSC Sberbank of Russia.

Recommendation:

The Board of Directors recommends approving interested party transaction between the Company and OJSC Sberbank of Russia of the following types of services:

- Cash management services, maintenance of the account balance under accrual of interest conditions;
- Using Client-Sberbank services;
- Opening letters of credit;
- Placement of deposits;
- Obtaining bank guarantees;
- Obtaining credits;
- Purchase and sale of promissory notes;
- Conversion operations;
- Urgent financial transactions;
- Provision of guarantees for Norilsk Nickel Group companies.

Viewpoint of the Board of Directors:

OJSC Sberbank of Russia is one of the leaders in Russian banking industry and is ready to provide the Company and companies of Norilsk Nickel Group with products and services on conditions, which are comparable to those offered by other major credit organizations working with OJSC MMC Norilsk Nickel. Accordingly, the Board of Directors considers it advisable to gain access to the full scope of services offered by OJSC Sberbank of Russia.

16. Interested party transaction between MMC Norilsk Nickel and OJSC Sberbank of Russia and /or SIB (Cyprus) Limited, and /or Sberbank CIB (UK) Limited, and /or Sberbank (Switzerland) AG.

Recommendation:

The Board of Directors recommends approving interested party transaction between the Company and OJSC Sberbank of Russia and/or SIB (Cyprus) Limited, and /or Sberbank CIB (UK) Limited, and /or Sberbank (Switzerland) AG of the following types:

- Cash management services, maintenance of the account balance under accrual of interest conditions;
- Using Client-Sberbank services;
- Opening letters of credit;
- Placement of deposits;
- Obtaining bank guarantees;
- Obtaining credits;
- Purchase and sale of promissory notes;
- Conversion operations;
- Urgent financial transactions;
- Provision of guarantees for Norilsk Nickel Group companies.

Viewpoint of the Board of Directors:

OJSC Sberbank of Russia (including its subsidiaries: SIB (Cyprus) Limited, Sberbank CIB (UK) Limited and Sberbank (Switzerland) AG) is one of the leaders in Russian banking industry and is ready to provide the Company and companies of Norilsk Nickel Group with products and services on conditions, which are comparable to those offered by other major credit organizations working with OJSC MMC Norilsk Nickel. Accordingly, the Board of Directors considers it advisable to gain access

to the full scope of services offered by OJSC Sberbank of Russia, SIB (Cyprus) Limited, Sberbank CIB (UK) Limited and Sberbank (Switzerland) AG.

17. Interested party transaction between the Company and Kola MMC (signing of revolving loan Contract).

Recommendation:

The Board of Directors recommends approving interested party transaction between the Company and OSJC Kola MMC concerning signing of loan Contract between OJSC MMC Norilsk Nickel (as borrower) and OJSC Kola MMC (as lender) on the following conditions:

Lump sum debt limit on the loan	RUB 45,000,000,000
Term of loan	5 years since the date of signing
Interest rate	Interest rate set by the Bank of Russia, effective on the date of signing of the Loan Contract

Viewpoint of the Board of Directors:

Execution of the transaction between OJSC MMC Norilsk Nickel and OJSC Kola MMC corresponds to centralized cash flow management principles effective with respect to companies included in Norilsk Nickel Group, approved by the Company's internal documents.