

**REPORT OF THE BOARD OF DIRECTORS OF OJSC MMC NORILSK NICKEL**  
**outlining motivated stance of the Board of Directors on the issues included in the agenda of**  
**Extraordinary General Meeting of the Company's shareholders**  
**February 03, 2012**

**1. Remuneration and compensation of expenses of independent members of the Board of Directors of OJSC MMC Norilsk Nickel.**

Recommendation:

The Board of Directors recommends establishing the the basic amount of remuneration to be paid to an Independent Director at USD 62,500 per quarter, which will be paid in rubles at the exchange rate set by the Central Bank of the Russian Federation on the last day of the accounting quarter. The indicated shall be after taxes and duties in accordance with current RF tax laws. Also, expenses of independent directors in the amount of up to RUB 2 million a year shall be reimbursed upon presentation of documental proof. It is appropriate to apply the abovementioned terms of remuneration for the period starting from June 21, 2011 till the end of a member's term as Member of the Board of Directors or until he ceases to be an independent director. Additionally, if an Independent Director presides over a Board Committee (Committees), it is recommended by the Board of Directors that additional remuneration in the amount of USD 31,250 per quarter shall be paid to such independent director in rubles at the rate set by the Central Bank of the Russian Federation on the last day of the accounting quarter for each of the Committees, over which he/she presides. The abovementioned sum shall be net of taxes and duties, in accordance with the tax laws of the Russian Federation. Abovementioned remuneration shall be paid during the period starting from the day of election of an independent director as the Committee Chairman and till the date, on which the term of the respective Committee Chairman will end or until he/she ceases to be an Independent Director

The Board of Directors also deems it necessary to establish remuneration element for the independent members of the Board of Directors of OJSC MMC Norilsk Nickel, corresponding to the Company's performance, by introducing them to independent directors of OJSC MMC Norilsk Nickel remuneration program – option plan.

Abovementioned payments are made after an independent director signs a Confidentiality Agreement of the format approved by the Board of Directors of OJSC MMC Norilsk Nickel.

Opinion of the Board of Directors:

In accordance with Article 64, p.2 of the Federal Law on Joint-Stock Companies, approval of remuneration and compensation of expenses related to performance of corresponding responsibilities for member of the Board of Directors lies within the competency of the General Meeting of shareholders. The proposed remuneration compensation of expenses amount for the members of the Board of Directors was determined on the basis of international corporate practices and with due consideration for the experience of large Russian companies ( including reviews and statistical figures of the Russian Institute of Directors and Association of Independent Directors), as well as based on the current market practices for remuneration of independent directors – members of the Board of Directors.