

**REPORT OF THE BOARD OF DIRECTORS
OF OJSC MMC NORILSK NICKEL**
**outlining a motivated position of the Company Board of Directors
on issues of the agenda for an extraordinary General Shareholders' Meeting of the Company
on December 11, 2014**

1. Regarding payment (announcement) of dividends for shares of the OJSC MMC Norilsk Nickel based on the results of nine months of 2014 fiscal year.

Recommendation:

The Board of Directors recommends to the extraordinary general shareholders' meeting to announce dividends for ordinary registered shares of the OJSC MMC Norilsk Nickel based on the results of nine months of 2014 fiscal year in the amount of RUB 762.34 per one ordinary share¹.

For reference (in accordance with the accounting data of OJSC MMC Norilsk Nickel as of 30.09.2014 according to RAS):

	<i>mln.rubles</i>
Undistributed profits as of 30.09.2014	
that may be used to pay dividends,	411,471
including :	
- net profit for 9 months of 2014	98,930

An amount of net profit used to pay dividends is RUB 120,636.
(prior retained earnings - RUB 21,706 mln)

Position of the Board of Directors:

The Board of Directors studied production results and financial results of activities of the OJSC MMC Norilsk Nickel over 9 months of 2014 fiscal year, current financial status, investment program, priorities of the production and social development of the OJSC MMC Norilsk Nickel in the future. Upon analyzing the provided information the Board of Directors believes that OJSC MMC Norilsk Nickel can distribute net profits using the aforesaid method.

Also, the Board of Directors of the OJSC MMC Norilsk Nickel thinks that the Company has conditions for announcement and payment of dividends for ordinary registered shares of the Company based on the results of nine months of 2014 fiscal year in accordance with article 43 of the Federal law "On Joint Stock Companies" No.208-FZ dated 26.12.1995, including as of the date of resolution to pay dividends, and as of the date of dividends payment:

- OJSC MMC Norilsk Nickel will not have insolvency (bankruptcy) signs in accordance with the Russian Federation law on insolvency (bankruptcy), and the said signs will not appear with the Company as a result of dividends payment;
- The value of net assets of the OJSC MMC Norilsk Nickel will not be lower than its authorized capital and reserve fund, and will not become lower than their amount as a result of a resolution regarding dividends payment, and payment of dividends (as of 30.09.2014, the cost of net assets of the OJSC MMC Norilsk Nickel is RUB 459,869 mln., and exceeds its

authorized capital and reserve fund by 459,687 mln.rubles).

Thus, the Board of Directors does not expect that announcement and payment of dividends for ordinary shares based on the results of nine months of 2014 fiscal year will have a negative effect on the strategic potential of the OJSC MMC Norilsk Nickel in the longer term.

2. Regarding an interested party transaction between the Company and CJSC NORMETIMPEX (making amendments to the Authorization dated 25.06.2013 to Commission Agreement No.HH/1001-2009 dated 21.12.2009).

Recommendation:

The Board of Directors considers it appropriate to propose to the extraordinary General Shareholders' Meeting of December 11, 2013 to review an issue of the approval of interested party transaction (making amendments to Authorization dated 25.06.2013 to Commission Agreement No.HH/1001-2009 dated 21.12.2009).

Position of the Board of Directors:

Currently, products owned by OJSC MMC Norilsk Nickel are supplied for export and to the Russian Federation domestic market through CJSC NORMETIMPEX acting in its own name (under the concluded commission agreement). To ensure marketing of products of OJSC MMC Norilsk Nickel, pursuant to the resolution of the annual General Shareholders' Meeting of 2013, an authorization was generated under the commission agreement, subject to which CJSC NORMETIMPEX was authorized to conclude transactions ensuring annual supplies of the Company's products for export and to the domestic market.

In connection with entry into force of the Russian Federation Government Resolution dated 22.07.2014 No.688 on cancellation of export customs duties for copper/nickel, processing of copper cathodes into rods will be economically inexpedient for OJSC MMC Norilsk Nickel.

In view of the foregoing, it became necessary to make amendments to the authorization of 25.06.2013 to Commission Agreement No.HH/1001-2009 of 21.12.2009 concluded with CJSC NORMETIMPEX in the part of replacement of the authorization to conclude transactions on sale of copper products while maintaining total volume of sold copper of up to 460 thousand tonnes per annum.

ⁱ At the exchange rate as of 31.10.2014 that is 43.3943