



НОРИЛЬСКИЙ НИКЕЛЬ

**ГОРНО-МЕТАЛЛУРГИЧЕСКАЯ КОМПАНИЯ
ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО**

OPEN JOINT STOCK COMPANY
MINING AND METALLURGICAL COMPANY
NORILSK NICKEL

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BUSINESS ETHICS CODE OF OJSC MMC NORILSK NICKEL

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Address by General Director-CEO of OJSC MMC Norilsk Nickel V.O. Potanin

Dear colleagues!

OJSC MMC Norilsk Nickel operates under global corporate management standards; we deem this approach as absolutely necessary for the Company seeking a leading position in the world mining and metallurgical sector.

We are fully aware that human resources are the main asset of the Company. OJSC MMC Norilsk Nickel employs thousands of people; we are all members of the same professional team, and the success of our business depends on the contribution of each worker and sharing of moral and ethical values of our corporate culture.

The world is constantly changing, and it is of paramount importance for each of us to have moral rectitude, principles and norms that will help us understand our tasks and goals and keep to the chosen vector in our daily actions and decisions.

This is the objective of the Business Ethics Code. It is bound to lay down coherent rules of our professional conduct. The Business Ethics Code is a logical supplement to the Ethics Code of OJSC MMC Norilsk Nickel enacted in 2003 to define moral and ethical norms by which Company personnel shall be guided in the line of their professional duties.

The Business Ethics Code is a set of clear and firm moral and ethical guidelines for every Company employee –from workers to top managers. This is not a declaration; this is a reference book and a blueprint for action.

Our enterprises are located in five states on three continents, and this circumstance was taken into account in the elaboration of the Business Ethics Code. We show respect and attention to local traditions with the unwavering observation of universal moral norms and ethical rules. The Business Ethics Code sets universal individual and collective behavioral standards applicable to various communities in all countries of the world.

I am confident that observation of the Business Ethics Code will enable each of us to be proud of the fruit of our common work at the end of each working day.

Potanin Vladimir Olegovich,
General Director – CEO

Preamble

The Business Ethics Code of OJSC MMC Norilsk Nickel (hereinafter “the Company”, “MMC Norilsk Nickel”) is a set of major rules of corporate behavior of the Company and its personnel, moral norms of the interaction inside the Company and with external parties, as well as other significant issues of business ethics rooted in the Company philosophy, fundamental values and business principles.

The Business Ethics Code of OJSC MMC Norilsk Nickel (hereinafter “the Code”) is a keynote element of corporate governance, a tool assisting in the achievement of strategic objectives with the unified corporate behavioral policy shared by every Company worker irrespective of one’s official position.

The Company’s aspiration for the highest standards of civilized business derives from the understanding of the degree of its responsibility to business partners and the entire community. The Business Ethics Code is based on observation of internationally acknowledged corporate governance principles elaborated by the Organization for Economic Cooperation and Development (OECD) and sanctioned with the Corporate Behavior Code (endorsed by the Federal Security Markets Commission on 04.04.2002, Directive No421/r “On Recommendations for Use of the Corporate Behavior Code”).

Business Code Ethics tasks:

- Establishment of unified criteria of acceptable behavior of the personnel inside the Company and in the interaction with business partners, authorities and public organizations;
- Formation and maintenance of the atmosphere of mutual respect, confidence and openness;
- Strengthening of the Company reputation as an honest and responsible member of the global business community;
- Promotion of investment appeal of the Company through the maintenance of the image of an efficient, reliable and socially responsible business partner;
- Establishment of unified, transparent and clear principles of the solution of possible conflicts;
- Development of unified corporate culture applicable to every territory of the Company presence.

The Code provisions shall be mandatory for all Company employees in their professional activity.

1. COMPANY AND ITS MAIN VALUES

OJSC MMC Norilsk Nickel is the world’s biggest producer of nickel and palladium and a leading producer of platinum and copper. The Company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, sulfur and sulfuric acid.

The Company is a leader in terms of corporate governance, openness and information transparency; it is a socially responsible business implementing technological modernization and environmental security programs.

OUR MISSION

Production of essential commodities – non-ferrous and precious metals – in the most efficient and safest way and on the sustainable and long-term basis for the sake of fostering of social progress, improvement of people’s well being, sustainable development of territories and well being of residents of the regions of Company business operations and higher living standards of Company personnel.

OUR CORPORATE VALUES

Priority of personnel life and health

Human resources are the main asset and a major factor of the successful development of the Company. MMC Norilsk Nickel operates a large number of hazardous industrial sites and uses hazardous substances in its technological processes; hence, it is fully aware of its responsibility for the life and health of workers. Our business prioritizes life and health of workers over industrial operations.

A human life is priceless for us.

Efficiency

Being a joint stock enterprise, the Company regards efficiency and profitability as the primary objective of its activity. Upgrading business processes, optimization of expenditures and goals of industrial modernization and investments in the development of manufacturing capabilities will ensure sustainable and continuous operation of Company plants for decades.

Ecological compatibility

Our business is directly linked with the development of natural resources of our country. Technologically complex and hazardous production binds us to give much attention to environmental issues. Being aware of our responsibility to future generations, we are seeking minimization of the environmental impact.

Strict observation of nature conservancy laws and international environmental treaties is our absolute duty.

Social responsibility

Being adherent to the socially responsible business strategy, we consistently solve socially significant tasks on all the territories of the Company presence. Norilsk Nickel MMC as a socially responsible manufacturer is engaged in charity projects, contributes to the accessible and comfortable infrastructure and holds a socially responsible policy in the fields of employment and social partnership. We believe that our efforts in the elaboration and execution of social programs will manifest our care for people living on the territories of the Company presence and be appreciated by local communities.

Lawfulness

Our entire activity complies with Russian laws and laws of the countries of the Company presence. We strictly obey the letter of law and reject as unacceptable any compromises in legal affairs.

We stay tuned and constantly monitor legislation related to every sphere of our activity, which allows us to timely response to alternations and adjustment of the procedure of economic operations whenever that is necessary.

2. ETHICAL NORMS OF CORPORATE INTERACTION

General principles of interaction at Company

MMC Norilsk Nickel values the work of its employees and deems its duty the formation and maintenance of the atmosphere of amity, professionalism, mutual respect, cooperation and stability in labor collectives. We support the corporate spirit that unites all employees irrespective of their official positions as the single team of professionals sharing the same goal.

The Company sets ambitious tasks and is confident that their solution in the modern world would be impossible without constant professional development of personnel and an increase of their professional training level. So, we welcome every initiative of our employees to obtain new knowledge, to upgrade professional skills and to develop new forms of labor organization. Every worker wishing to improve one's professional competences and to learn new technologies can be sure that this initiative will be supported and appreciated.

The Company thinks it necessary to have lasting relations with its workers and displays confidence and openness to the dialog. We prove our wish for stability with worthy salaries and social benefit packages and strict compliance with labor laws.

The Company expects employees to display mutual responsibility with:

- Scrupulous fulfillment of their professional duties and personal responsibility for their labor;
- Observance of labor discipline and labor safety rules;
- Respect for and politeness to colleagues, superiors and subordinates;
- Acceptance of constructive criticism;
- Zero corruption tolerance.

MMC Norilsk Nickel is particularly demanding to executives of all levels. Executives shall give personal examples of ethical behavior and inspire and bear corporate culture.

Main principles of the conduct of executives:

- Absolute respect for personality;
- Compliance with laws and internal normative documents;
- Respect for another opinion;
- Impermissibility of any forms of discrimination of subordinates;
- Strict control over observance of labor safety rules;
- Prevention of engagement in corruptive practices of themselves and their subordinates;
- Knowledge and implementation of the provisions and norms of this Code.

Interaction between company and its subsidiaries and controlled companies

The Norilsk Nickel Group operates through the interaction between the parent company, OJSC MMC Norilsk Nickel, and its subsidiaries and controlled companies (hereinafter “SCC”). The efficiency of this activity depends on coordinated actions of the Company and SCC under the unified financial and economic policy.

OJSC MMC Norilsk Nickel achieves the goal with:

- Stipulation of cohesion in the implementation of strategic tasks of the Norilsk Nickel Group;
- Managerial, methodological and other assistance to SCC;
- Participation in the development of managerial and technological potentials of SCC;
- Assistance in personnel recruitment for SCC.

In turn, SCC follow the Company’s unified strategy with:

- Provision of information and documents with regard to their managerial, industrial and human resources activity as need be;
- Reporting of their operations under the Company regulations.

Awareness of the common global goals is the foundation of open, trustful and respectful relations between the Company and SCC.

Protection of personnel rights

The most valuable asset of the Company is skilled and responsible personnel.

MMC Norilsk Nickel regulates labor relations in consistency with the standards of the International Labor Organization (ILC) and laws of the countries of the Company presence.

The Company manifests its wish to be a responsible party to labor relations with the observation of labor laws, terms of industrial agreements, the collective agreement and labor agreements with workers.

We strictly obey by the principles of the prevention of any form of discrimination and forced labor and give each worker an equal chance for implementing one’s labor rights irrespective of the gender, race, nationality, origin, material, social or official status, age, place of residence, religion, political convictions and other circumstances unrelated to the worker’s professional qualities.

The Company ensures equal opportunities to all workers for the use of their potential in the professional activity, an unbiased and fair evaluation of its results, and the selection and promotion of workers exclusively by their professional capacities, knowledge and skills.

While implementing the principle of social responsibility, the Company elaborates programs of social support and development of personnel and thus ensures a number of socioeconomic rights of its workers, such as the right to social security, education, family welfare, housing, freedom of creativity and participation in the cultural life.

Labor protection and industrial safety

Being guided with the principle of the priority of workers' life and health, the Company insistently works on industrial security and labor protection. The industrial security and labor protection policy of OJSC MMC Norilsk Nickel has been elaborated with this purpose to spell out tasks, goals and commitments of the Company in the field of labor protection and industrial security. We are doing the utmost to create a favorable and safe labor environment at our enterprises.

The Company has developed a multi-stage system of control over industrial security and labor protection; it is upgrading industrial security management systems and taking precautions against accidents and emergency situations. Workers are equipped with modern certified means of individual protection.

In turn, workers shall strictly obey industrial manuals and labor safety directives, technological requirements and safe work procedures, always use means of individual security and pay attention to the safety of colleagues. A worker who sees dangerous actions and/or violations of labor safety rules by colleagues shall reprove them, being aware that the unspoken criticism may lead to harm to health and/or death of workers taking such dangerous actions.

Employees shall not start working if:

- they are not given labor safety instructions and/or relevant training;
- there are no special wear and other means of individual protection and/or they are inconsistent with the work;
- the work place is inconsistent with the requirements to labor protection and safety.

It is strictly prohibited to stay on the work place or to start working under the influence of alcohol, narcotics or any other stimulants.

3. INTERACTION BETWEEN COMPANY AND EXTERNAL INTERESTED PARTIES

The most significant external interested parties of MMC Norilsk Nickel are shareholders and investors, business partners and rivals, authorities and public organizations operating on the territory of the Company presence.

Openness and transparency, confidence and sincerity, respect and account of interest and responsible fulfillment of obligations are the main principles that the Company is being guided by in its relations with external interested parties.

Shareholders and investors

We regard the interests of owners of the Company capital as a priority and do our best to meet their expectations and to ensure worthy dividends and increase in the price of Company stock.

The Company guarantees the provision and security of all rights of shareholders established by Russian laws. We also try to make their implementation very simple and efficient.

The Company realizes that its investment appeal depends not only on the financial performance but also on the quality of corporate governance and the level of information openness. Seeking a higher investment appeal, the Company follows standards of the world's best available practice and offers the investment community information significant for stock price: annual reports, quarterly reports of a stock issuer, annual and intermediate consolidated financial statements by International Accounting Standards, annual and intermediate accounting statements by Russian Accounting Standards, significant facts and disclosures of

insider information, information and analytical materials. We also have regular meetings with analysts and investors and organize visits of shareholders and investors to significant industrial facilities.

Our principles of interaction with the investment community are the following: provision of current, full and reliable information and equal access of all investors to information.

Authorities and public organizations

While interacting with the authorities and public organizations, the Company prioritizes the balance of interests of business, personnel, residents of the territories of the Company presence and the whole society. Being one of the largest mining and metallurgical companies of Russia, we assume responsibility for the provision of state interests in the rational use of mineral resources, the introduction of innovative technologies and the creation of favorable working conditions.

Open, trustful and sustainable relationships with the authorities and local government are an indispensable condition of our business. The Company strictly complies with the laws; being the main employer and biggest taxpayer in the regions of its presence, it pays taxes and other compulsory duties fully and on time.

The Company does not obstruct the engagement of its workers in the political life, public organizations and trade unions but notes that such engagement is possible in the free time of the workers with the exception of cases specified by labor laws. A political or public standpoint of a worker cannot be regarded as a political or public standpoint of MMC Norilsk Nickel.

Business partners and rivals

The Company interacts with business partners (clients, suppliers, contractors and consultants) on the principles of long-term cooperation, mutual benefit, respect and trust, with the strict compliance with mutual commitments and current laws.

Business and public reputation of our partners is important for us, so we show responsibly when selecting our suppliers and clients and give much attention to their business ethics. The Company deals only with partners whose business is legal.

The Company is reliable and honest to its clients and strictly fulfills its obligations.

We are confident that business competition helps the Company develop and upgrade quality of its products and services, which, in the end, is beneficial for the whole society. Due to its substantial competitive advantages in terms of mineral resources, infrastructure, production and distribution, MMC Norilsk Nickel believes that fair competition is the only possible way of interaction with rivals. We think that any forms of unfair competition or abuse of the dominant position on the market are impermissible and adhere to the requirements of antimonopoly laws and competition laws in all countries of the Company presence.

4. INFORMATION DISCLOSURE

MMC Norilsk Nickel is an open joint stock company, stock of which is traded at the Russian stock exchange as ordinary shares and on foreign markets as Level 1 American Depositary Receipts. The public status binds the Company to honor the requirements of mandatory information disclosure established by national regulators and stock exchanges. Norilsk Nickel takes these commitments with full responsibility and discloses information via specialized servers.

In addition to compulsory information disclosure, the Company volunteers to disclose information, which is essential for investors and other interested persons. The information is published on the corporate website. By doing so, we ensure the equal access of all market actors to essential information.

The Company has elaborated relevant local normative documents and introduced mechanisms of internal corporate security, which prevent untimely or unreliable disclosure of information, which may have an influence on stock price.

5. CONFLICT OF INTEREST AND PREVENTION OF CORRUPTION

MMC Norilsk Nickel believes in the loyalty of its workers and trusts them but it also realizes that various circumstances may create a situation in which personal interests of workers may conflict with Company interests. Such a conflict of interest may entail serious negative consequences for the Company – from lesser efficiency to reputational losses.

In order to rule out the possibility of such situations, workers shall be guided with the following rules:

- A worker shall not gain incomes or other revenues from any third persons for the execution of one's professional duties at the Company;
- A worker shall not accept any gifts from any third persons that have business relations with the Company or seek such relations, with the exception of nominal tokens of appreciation and nominal souvenirs presented under universal rules of politeness and hospitality;
- A worker shall abstain from making decisions in one's professional duties if they concern the interests of his family members, such as:
 - shall not take part in the consideration and approval of promotions of family members in the Company;
 - shall not take part in the consideration and approval of decisions with regard to commercial relations with organizations that employ him or his family members;
- A worker shall not use business relations which appear as a result of his work for the Company for personal advantage, such as:
 - obtain loans, works, services or commodities from business partners of the Company on terms that give the worker substantial advantages as compared with regular terms of operation of business partners of the Company. This rule does not apply to the terms of interaction with workers officially approved by business partners of the Company and coordinated with the Company (corporate programs for the Company personnel);
 - use one's official position or relations with Company workers to create favorable conditions for one's private business.

If a worker intends to apply for an elective position in state or municipal authorities, he shall inform the deputy general director – supervisor of liaison with the authorities and the social policy - about this decision.

A worker shall immediately inform his direct superior about the appearance of a conflict of interest.

Norilsk Nickel MMC has zero tolerance for any forms of corruption, because it undermines the foundation of civilized business and does harm to the country and the society.

Our goal is to exclude possibilities for corruptive practices at the Company. Therefore, the Company has created and constantly upgrades multi-level systems of accounting and internal control for preventing thefts and abuse of office.

We realize that bribes may be given covertly (sponsorship, charity, gifts, services and coverage of entertainment and other expenditures) and we warn our workers against taking ambiguous steps.

Every individual and legal entity that has business relations with the Company or seeks such relations must share our zero tolerance for corruption. We do not take or give bribes.

6. COMPANY PROPERTY AND RESOURCES

Company property and resources are the backbone of our activity and the cornerstone of our business growth and long-term development. Therefore, care for Company property and its rational use are a token of our efficiency. All Company resources – equipment, commercial and technological information, intellectual products and money – can be used for purposes of work only.

All workers are responsible for Company property in their custody. Protection of property from theft, damage or misuse is a direct duty of every worker.

Workers shall attentively read directives and follow the rules of handling equipment and resources laid down by local normative documents of the Company.

Protection of confidential information as a Company resource is the necessary condition of our competitiveness. Due to the peculiarities of MMC Norilsk Nickel activity, divulgence of confidential information may harm defense capacities of the country. For this reason, the Company constantly upgrades systems of the protection of state and commercial secrets and demands that its workers strictly comply with the requirements of local normative documents with regard to information security.

7. ENVIRONMENTAL PROTECTION

Environmental safety of industrial facilities and environmental protection are listed amongst the Company priorities. Being aware of the scale and complexity of environmental problems faced by the Company, MMC Norilsk Nickel intends the gradual reduction and, wherever that is possible, prevention of an impact of the industrial activity on the environment.

We view environmental protection as an inseparable part of our business. MMC Norilsk Nickel has adopted an ecological policy to define key areas of the implementation of the Company intentions related to environmental safety. The Company targets contribution to the Russian sustainable development with the rational use of natural resources and constant improvement of environmental protection measures. We strictly abide by the requirements of environmental protection laws, international agreements, international standard ISO 14001:2004, industrial and corporate requirements that regulate environmental protection by MMC Norilsk Nickel.

The Company is always open to the dialog with any interested sides on environmental protection issues.

8. PECULIARITIES OF COMPANY ACTIVITY IN OTHER STATES

We are proud that MMC Norilsk Nickel is one of the biggest mining and metallurgical corporations of the world. As a significant part of our products is sold on foreign markets, we give much attention to cooperation with international non-governmental organizations for the mutually beneficial exchange of advanced experience in industrial, environmental, social and other spheres of activity.

All Company enterprises located abroad are regularly certified by international standard ISO 14001 and operate under state environmental protection regulatory systems and corporate standards of MMC Norilsk Nickel.

MMC Norilsk Nickel declares its adherence to the observation of human rights pursuant to the constitutions of the countries of its presence (Australia, the Republic of Botswana, Finland and South Africa) and laws of those countries, universally recognized principles and norms of international law presented by declarations, conventions and recommendations of the International Labor Organization and other international organizations.

9. COMPLIANCE WITH THE BUSINESS ETHICS CODE AND LIABILITY FOR ITS VIOLATION

Violation of the Business Ethics Code may lead to violation of legal norms and damage the reputation and image of the Company, which, in turn, will lower its efficiency and cause losses.

Therefore, all workers of MMC Norilsk Nickel regardless of their official position shall observe the Code in their professional activity and be liable for the observation of the ethical norms it stipulates.

Observance of the Code is a significant criterion of the evaluation of the professional performance of a worker in appraisals and decisions about his remuneration, professional or career growth.

Our demands to executive of all levels are even higher. Executives must be a model of ethical behavior, support ethics of the corporate culture with their personal example and explain provisions of the Code to their subordinates if necessary.

Each Company worker must take an active position with regard to observation of the Code by other workers of the Company. If there is information that the behavior of another Company worker disagrees with a provision of the Code or is unethical in another way, a worker should not disregard such information but report it in compliance with this Code.

If a worker has questions concerning the application of norms and provisions of this Code, problems with the ethical evaluation of one's actions or actions of other workers, he shall ask for explanations:

- The direct and/or higher superior;
- Use the confidence phone _____ .

If a worker learns about violations of the provisions of Code, he shall e-mail a message to: _____@nornik.ru.

If a worker who reports violations of the Code wants to be anonymous for some reason, he must provide sufficient information for the due inquiry into his report.

In turn, the Company guarantees the absence of negative consequences for anyone who reports violations of the Code (for instance, persecution or discrimination). The breach of anonymity of such reports is a violation of the principles of this Code.

The Company forms commissions for considering the observation of norms of the Code, for holding official inquiries into violations of the Code requirements, for forming an ethical opinion of situations in inter-corporate relations and in relations with third interested sides: the corporate ethics commission of the head office of the Company/a branch/a representative office (hereinafter “the Commissions”). The activity of the Commissions is regulated by relevant local normative documents.

If an official inquiry exposes a violation of law, the Commission shall convey that information to law enforcement agencies. In other cases decisions of the Commissions shall be advisory.

MMC Norilsk Nickel is hopeful that any interested person, even not a worker of the Company, will report the violation of norms and regulations of the Code in a message e-mailed to _____@nornik.ru.

MAIN TERMS AND DEFINITIONS

The Business Ethics Code of MMC Norilsk Nickel uses the following terms and definitions:

Bribery – a form of corruption. In this Code bribery means a material gain (a bribe) received by an official in exchange for one's activity or inactivity in the interests of the briber or persons the briber represents.

Business ethics – a set of moral principles, rules and norms of the behavior of Company workers in the fulfillment of their professional duties.

Interested sides – any individuals, groups or organizations that have an influence on the Company activity or depend on its activity.

Conflict of interest – a situation in which personal interest of a worker has an influence or may have an influence on the objective execution of his professional duties.

The Company (MMC Norilsk Nickel) – OJSC MMC Norilsk Nickel .

Corruption – abuse of office by an official for personal gains.

Local normative documents – normative-methodological, organizational-legal and organizational-administrative documents of the Company.

The world business community – all business entities of the interlinked system of countries with which the Company has business relations or wishes to establish such relations.

Workers – persons who have labor relations with the Company formed pursuant to laws of the Russian Federation.

The Company development strategy – a set of key strategic directives, concepts and obligations of the Company approved by the Company management as main guidelines for a particular period of the Company activity.

Ethical norms – moral norms applied and/or established in a particular society or a state.