

Explanatory Note

Re:

Remuneration and compensation of expenses of independent directors – members of the Board of Directors of MMC Norilsk Nickel.

In accordance with the world best practice in part of the remuneration amount and payment procedure relating to the independent members of the Board of Directors, with account for the experience of major Russian companies (including reviews and statistics provided by the Russian Institute of Directors and the Association of the Independent Directors), and based on the analysis of the current market practice of independent directors members of the Board of Directors remuneration, the following is proposed:

1.1. To establish that the basic amount of remuneration to be quarterly paid in equal parts to an Independent Director shall be USD 120 000 per year (to be paid in Russian Rubles at the exchange rate fixed by the Bank of Russia on the last working day of the reporting quarter), and that their business trip expenses shall be reimbursed upon presentation of documental proof in accordance with the Company standards set for the I category of job positions. The amount shown above shall be gross of taxes imposed under the current laws of the Russian Federation.

1.2. If an Independent Director presides over a Board Committee (Committees), the additional remuneration in the amount of USD 150 000 per year shall be paid quarterly in equal parts to such Independent Director for each of the Committees, over which he/she presides (to be paid in Russian Rubles at the exchange rate fixed by the Bank of Russia on the last working day of the reporting quarter). The amount shown above shall be gross of taxes imposed under the current laws of the Russian Federation.

1.3. If an Independent Director is a member of the Board Committee (Committees), the additional remuneration in the amount of USD 50 000 per year shall be paid quarterly in equal parts to such Independent Director for each of the Committees, where the Independent Director participates (to be paid in Russian Rubles at the exchange rate fixed by the Bank of Russia on the last working day of the reporting quarter). The amount shown above shall be gross of taxes imposed under the current laws of the Russian Federation.

1.4. Remuneration amount mentioned in p. 1.1 of this resolution shall be paid in the period from June 29, 2012 to the date, on which the term of the respective Independent Director will end or on which the respective Independent Director ceases to be independent.

1.5. Remuneration amount mentioned in p. 1.2 of this resolution shall be paid in the period from the election of an Independent Director as the Chairman of a Committee until he/she ceases to carry out his/her professional duties as the Chairman of the Committee or on which the respective Independent Director ceases to be independent.

1.6. Remuneration amount mentioned in p. 1.3 of this resolution shall be paid in the period from the election of an Independent Director as the Member of a Committee until he/she ceases to carry out his/her professional duties as the Member of the Committee or on which the respective Independent Director ceases to be independent.

1.7. If the Chairman of the Board of Directors is an Independent Director, the basic amount of remuneration to be paid quarterly in equal parts to such Director shall be USD 1 000 000 per year (to be paid in Russian Rubles at the exchange rate fixed by the Bank of Russia on the last working day of the reporting quarter less additional remunerations provided for by p.1.1 – 1.3 of this Resolution). The above mentioned amount shall be a gross amount before taxes and charges.

1.8. Remuneration amount mentioned in p.1.7 of this Resolution shall be paid in the period from the election of an Independent Director as the Chairman of the Board of Directors until

he/she ceases to carry out his/her professional duties as the Chairman of the Board of Directors.

II. The payment of the above stated remunerations shall be done after the Independent Director signs Confidentiality Agreement in accordance with the form approved by the Board of Directors of OJSC MMC Norilsk Nickel.

The issue of the members of the Board of Directors remuneration and compensation is proposed for consideration at the General Meeting of the Shareholders of the Company in accordance with article 64.2 of the Federal Law 'On Joint-Stock Companies'.