

Explanatory Note

re:

Remuneration and reimbursement of expenses to be paid to Independent Directors – Members of the Company’s Board of Directors

I. Monetary remuneration

Based on the world best corporate practice with regard to the amount and the order of the remuneration payout to Independent Directors of the Board of Directors, and taking into account the experience of large Russian companies, the following is suggested:

1. To establish that the basic amount of remuneration to be paid to an Independent Director shall be USD 62,500 per quarter, which will be paid in rubles at the rate set by the Central Bank of the Russian Federation for the last working day of the reporting quarter. The above amount shall be net of taxes imposed under the current laws of the Russian Federation. And also expenses of an Independent Director in the amount of up to RUB 2 million a year shall be reimbursed upon presentation of documental proof.
2. If an Independent Director presides over a Board Committee (Committees), the 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 for the last working day of the reporting quarter, for each of the Committees, over which he/she presides. The amount shown above shall be net of taxes imposed under the current laws of the Russian Federation.
3. Remuneration amount mentioned in p. 1 of this resolution shall be paid in the period from June 21, 2011 to the date, on which the term of the respective Independent Director will end.
4. Remuneration amount mentioned in p. 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.

II. Option Plan

Based on the current commercial practice of remuneration to independent directors of the Board of Directors it is also suggested to establish an element of remuneration to Independent Directors of OJSC MMC Norilsk Nickel’s Board of Directors contingent to the Company’s performance, through participation in the Remuneration Program for MMC Norilsk Nickel Independent Directors – Option Plan. Therefore, the following is suggested:

To approve the Remuneration Program for MMC Norilsk Nickel Independent Directors – Option Plan.

The Program principal provisions are as follows:

- Upon the expiry of the Program term every Participant is entitled to receive remuneration provided that he has a status of an Independent Director of the Company on the last day of the Program term. If for some reason the Participant ceases to have powers of an Independent Director of the Company prior to the Program expiration date, his remuneration shall be calculated pro rata to the duration of the Participant’s performance as an Independent Director of the Company within the Program term.
- The remuneration to the Participant shall be calculated as a total cash amount, by which the Market Price of Share (weighted average price of a share for a period of 90 calendar days prior to the last day of the Program term) exceeds the Initial Price of Share (weighted average price of a share for a period of 90 calendar days prior to the first day of the Program term), multiplied by the number of Shares granted to the Program Participant (the Phantom stock package).

- The Phantom stock package granted to the Program Participant entitles the Participant only to receive cash payment (bonus) within the Program upon the expiry of the Program term and does not entitle the Participant to any dividends, participation in the meetings of the Company's shareholders or any other rights attached a share.
- The payout under the Plan shall be made within 30 calendar days following the last day of the Program term or following the day when the Participant ceased to have powers of an Independent Director of the Company.

Pursuant to provisions of the Federal Law *On Joint Stock Companies* (Art. 64, par. 2), issues regarding remuneration and reimbursement of expenses to members of the Board of Directors shall be submitted to the General Shareholders Meeting for consideration.