

## **EXPLANATORY NOTE**

### **Re: Liability Insurance and Loss Indemnity of the Members of the Board of Directors and Management Board of OJSC MMC Norilsk Nickel**

In accordance with the Code of Corporate Conduct, approved by the FCSM Order No. 421/r of April 4, 2002, the joint-stock company is recommended to insure, at its own expense, the liability of the members of the board of directors so that in case the company or third parties bear losses due to the actions of the members of the board of directors such losses were reimbursed by the insurance company.

D&O Liability Insurance includes insurance of the members of the Board of the Company and the members of the Management Board of the Company, insurance of the Company's liability in regards to securities with the total limit of USD 200,000,000, the additional USD 6,000,000 for independent directors over the total limit, and the additional coverage limit for the principal agreement of USD 25,000,000. The total amount of expenses for insurance shall not exceed USD 1,200,000.

At the same time, D&O Liability Insurance presupposes signing of the Indemnity Agreement between the Company and each member of the Board of Directors and the Management Board. The said agreements cover the liability of OJSC MMC Norilsk Nickel to compensate the losses of members of the Board of Directors and of the Management Board, which such members may bear due to their appointment to the corresponding offices, to the amount not exceeding USD 115,000,000 per each member.

The following items are to be included into the agenda of the General Meeting of the Shareholders of OJSC MMC Norilsk Nickel:

- Approval of the interested party transaction related to insurance of the liability of the members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel;
- Approval of interested party transactions related to compensation of the losses of the members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel

in accordance with article 83 of the Federal Law on Joint-Stock Companies, as all members of the Board of Directors are deemed to be interested in the transaction related to insurance of the liability of the members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel, and the total amount of the Company's expenses for the transactions related to compensation of the losses of the members of the Board of Directors and the members of the Management Board of OJSC MMC Norilsk Nickel may exceed 2% of the balance value of OJSC MMC Norilsk Nickel assets.

**Director of the Insurance Department,**

**E.A.Yanevich**