

Explanatory note

Remuneration and reimbursement of expenses of Independent Directors – members of the Company's Board of Directors

On the basis of the global corporate practices and procedures of determining the amount of remuneration and reimbursement of expenses to independent directors - members of the Board of Directors, taking into account the experience of major Russian companies (including surveys and statistics of the Russian Institute of Directors and the Association of Independent Directors) as well as the analysis of current market practices of remuneration and reimbursement of expenses of the independent directors, it is proposed:

1. To pay the remuneration to Gareth Penny for performing the functions of the Chairman of the Board of Directors since March 11, 2013 till June 5, 2013 in the amount of USD 235,616 (to be paid in Russian Rubles at the exchange rate set by the Bank of Russia at the date of Norilsk Nickel's AGM-2013). The amount shown above is net of taxes imposed under the current laws of the Russian Federation. To reimburse the documentary proved expenses of the Chairman of the Board of Directors, Gareth Penny, related to the performance of his duties, including: accommodation in hotels, business and 1-st class travel, use of VIP-halls, telephone expenses (including mobile phone charges), representation expenses, in accordance with the Company standards set for the I category of job positions.
2. To pay out remuneration to other members of the Board of Directors for execution of their duties as members of the Board of Directors since March 11, 2013 till June 05, 2013 in the amount established by the resolution of the Annual General Meeting of shareholders of June 29, 2012. To reimburse documentary proved expenses of the members of the Board of Directors that are related to execution of their duties, in accordance with the Company standards set for the I category of job positions, if members of the Board of Directors comply with criteria stipulated by par 8.15 of the Charter of MMC Norilsk Nickel. To make the remuneration payment in Russian Rubles at the exchange rate fixed by the Bank of Russia at the date of Norilsk Nickel's AGM-2013.
3. To establish that the basic amount of remuneration to be paid to an Independent Director complying with the requirements of par. 8.15 of MMC Norilsk Nickel's Charter (hereinafter, an Independent Director), shall be USD 120,000 per annum, payable on a quarterly basis in equal amounts in Russian Rubles at the rate set by the Bank of Russia on the last working day of the reporting quarter. The amount shown above is gross of taxes imposed under the current laws of the Russian Federation. Documentary proved expenses of Independent Directors related to the execution of his/her duties shall be reimbursed in accordance with the Company standards set for the I category of job positions. The aforementioned remuneration and reimbursement shall be paid in the period from June 6, 2013 to the date, on which the term of the respective Independent Director will end or to the date he/she ceases to be an Independent Director.
4. If an Independent Director presides over a Board Committee (Committees), the additional remuneration in the amount of USD 150,000 per annum shall be paid to such Independent Director quarterly in equal amounts in Russian Rubles at the rate set by the Bank of Russia on the last working day of the reporting quarter for each of the Committees, over which he/she presides. The amount shown above is gross of taxes imposed under the current laws of the Russian Federation. The aforementioned remuneration shall be payable from the day of election of an Independent Director as Committee Chairman to the date, on which his term as the Committee Chairman will end or to the date he/she ceases to be an Independent Director.
5. If an Independent Director is a member of a Board Committee (Committees), the additional remuneration in the amount of USD 50,000 per annum shall be paid to such Independent Director quarterly in equal amounts in Russian Rubles at the rate set by the Bank of Russia on the last working day of the reporting quarter for each of the Committees.. The amount

shown above is gross of taxes imposed under the current laws of the Russian Federation. The aforementioned remuneration shall be payable from the day of election of an Independent Director as Committee member to the date, on which his term as the Committee Chairman will end or to the date he/she ceases to be an Independent Director.

6. To establish that the remuneration to be paid to an Independent Director – Chairman of the Board of Directors shall be USD 1,000,000 per annum, paid quarterly in equal amounts in Russian Rubles at the rate set by the Bank of Russia on the last working day of the reporting quarter (without additional payments envisaged by par. 3 –5 of this resolution). The amount shown above is net of taxes imposed under the current laws of the Russian Federation. The aforementioned remuneration shall be payable from the day of election of an Independent Director as Chairman of the Board of Directors to the date, on which his term as the Chairman of the Board of Directors will end or to the date he ceases to be an Independent Director.

If the Chairman of the Board of Directors is not re-elected as member of the Board of Directors at the AGM-2014 and as the Chairman of the Board of Directors of the newly elected Board of Directors, or if his powers as the Chairman of the Board of Directors are terminated earlier than the date of AGM-2014, he shall be paid an additional remuneration in the amount of USD 2,764,384, after deduction of the amount of remuneration that he received for performing his functions as the Chairman of the Board of Directors since June 6, 2013. The aforementioned additional remuneration is paid quarterly in equal amounts till March 11, 2016 in Russian Rubles at the rate set by the Bank of Russia on the last working day of the reporting quarter. The amount shown above is net of taxes imposed under the current laws of the Russian Federation. If he is elected Chairman of the Board of Directors again before March 11, 2016, the remuneration for acting as Chairman of the Board of Directors, envisaged in the first paragraph of this clause shall not be paid. To approve reimbursement of the documentary proved expenses of the Chairman of the Board of Directors related to the performance of his duties, including: accommodation in hotels, business and 1-st class travel, use of VIP-halls, telephone expenses (including mobile phone charges), representation expenses, in accordance with the Company standards set for the I category of job positions.

To establish that MMC Norilsk Nickel shall at its own expense provide life insurance for the Chairman of the Board of Directors during visits to the mines and operations, as well as insure against other professional risks for the term as Chairman of the Board of Directors, the insurance coverage shall amount to USD 3,000,000.

7. 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 remuneration and reimbursement of expenses of independent directors - members of the Board of Directors of the Company shall be included in the agenda of the General Meeting of shareholders of the Company in accordance with the requirements of par. 2 of Article 64 of the Federal Law 'On Joint-Stock Companies' № 208-FZ of 26.12.1995.