

**REPORT BY OJSC MMC NORILSK NICKEL
BOARD OF DIRECTORS**

**Citing rationale for the position of the Company's Board of Directors
On the agenda of Extraordinary General Meeting of Shareholders to be held on December 20, 2013**

1. Payout (declaration) of dividends on OJSC MMC Norilsk Nickel issued shares based on 9M"2013FY performance.

Guidance:

The Board of Directors to declare at the Extraordinary General Meeting of Shareholders that the dividend payout on ordinary shares issued by OJSC MMC Norilsk Nickel based on 9M"2013FY performance is set at RUB 220.70 per one ordinary share.

Reference:

	<i>RUB million.</i>
Net profit on RAS accounts	<u>74 871</u>
Net profit allocated to dividend distribution (46.6% of net profit)	<u>34 925</u>

Position held by the Board of Directors:

The Board of Directors has analyzed the production and financial performance of OJSC MMC Norilsk Nickel over the 9 month period of 2013, its current financials, CapEx profile, prospective operational and social development priorities of OJSC MMC Norilsk Nickel and considers the following methodology of distributing net profit made by OJSC MMC Norilsk Nickel to be feasible.

OJSC MMC Norilsk Nickel Board of Directors considers the Company to be capable of declaring and paying out dividends on the shares issued by the Company based on the 9M"2013 performance in accordance with article 43 of Federal Law No 208-FZ on Joint Stock Companies dd. 26.12.1995, particularly at the day of such decision made and at the day of dividend payout.

- OJSC MMC Norilsk Nickel will not qualify for insolvency (bankruptcy) as defined by the legislation of the Russian Federation and will not qualify for such following from dividend payout;
- The net assets of OJSC MMC Norilsk Nickel will not be valued lower than the charter capital and the surplus fund and will not fall below such as a result of the declaration to pay dividend and the effective payment (as of September 30, 2013 the net asset value of OJSC MMC Norilsk Nickel amounts to RUB **431 746** million exceeding the charter capital and the surplus fund by RUB **431 564** million).

Thereby the Board of Directors does not anticipate the declaration and payment of dividends on ordinary shares based on the 9M"2013FY performance to negatively affect the strategic potential of OJSC MMC Norilsk Nickel in the long term.

2. Interested party transactions that may be completed in normal future operations of OJSC MMC Norilsk Nickel.

Guidance:

The Board of Directors considers it advisable to put approval of interested party transactions that may be completed in normal future operations (par. 1-96 of the draft resolution on the agenda of

extraordinary general meeting of shareholders in 2013) of OJSC MMC Norilsk Nickel on the agenda of the Extraordinary General Meeting of Shareholders to be held on December 20, 2013.

Position held by the Board of Directors:

In accordance with art. 83 provision 6, par. 2 of the Federal Law No 208-FZ of 26.12.1995 on Joint Stock Companies a General Meeting of Shareholders of OJSC MMC Norilsk Nickel can make resolutions to approve interested party transactions that may be completed in normal future operations of the Company. Such resolutions shall remain in effect until the next Annual General Meeting of Shareholders of the Company.

The interested party transactions which shall be completed by the Company (as represented by the Polar Division and the Polar Transport Branch) and its affiliates in 2014 are submitted for approval and put on the agenda of the general extraordinary meeting of shareholders to be held on December 20, 2013 in accordance with art. 83 provision 6 par. 2 of the Federal Law No 208-FZ of 26.12.1995 on Joint Stock Companies.

The information on transactions is presented based on the draft budget of the Company in 2014. The maximum amounts of transactions are in line with the Draft 2014 Company Budget.

The above transactions are submitted for approval of the general extraordinary meeting of shareholders to be held on December 20, 2013 following suggestions to that effect from Board of Directors members and are put forward in order to optimize the workflow of the Company's Board of Directors and the current productions and operations.

In accordance with art. 49 par. 3 of the Federal Law on Joint Stock Companies and par. 7.4 and 9.3.5 of the Company Charter approval of interested party transactions shall be made by General Meeting of the Company's Shareholders stemming from a suggestion to that effect made by the Company's Board of Directors.