

# APPENDIX 1

## REPORT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE FEDERAL COMMISSION FOR THE SECURITIES MARKETS<sup>(1)</sup>

| N                                      | PROVISION OF THE CODE OF CORPORATE GOVERNANCE   | IN COMPLIANCE/<br>NOT IN COMPLIANCE <sup>(2)</sup> | NOTES  |
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| <b>General Meeting of Shareholders</b> |   |  |  |
| 1.                                     | Notice given to shareholders not less than 30 days prior to the General Meeting regardless of the issues on the agenda, unless legislation provides for a longer period of notice.  | In compliance                                      | According to Clause 7 of the Regulation on the General Meeting, "Notice of the meeting shall be given to shareholders in the manner and in time determined by the Federal law and the Company's Charter".<br>According to paragraph 1 of clause 6.4 of the Charter: "Notice of the Meeting shall be published in Rossiyskaya Gazeta newspaper and in Taimyr newspaper not later than 30 days prior to the date of the Meeting. If a General Meeting is held by correspondence, notice of the Meeting shall be given in the above publications at least 30 days prior to the deadline for the collection of ballots". |
| 2.                                     | Access of the shareholders to the list of persons entitled to attend the General Meeting, starting from the date of announcement of the General Meeting until the closing of the General Meeting held in person, and in the case of a General Meeting held by correspondence – until the deadline for the collection of voting ballots.                             | In compliance                                      | In accordance with Article 51 of the Federal Law "On Joint Stock companies" Clause 12 of the Regulation on the General Meeting stipulates that the "Access to the list of persons authorized to participate in the Meeting shall be made available by the Company at the request of persons included in such list and having at least 1% of votes".  |
| 3.                                     | Access of the shareholders to information (materials) to be provided during the preparation for the General Meeting through electronic media, including the Internet.   | In compliance                                      | The shareholders have access to such materials 20 days before the date of the General Meeting at shareholder assistance offices or on the corporate Internet site (in Russian and English).  |
| 4.                                     | Ability of a shareholder to put an issue on the agenda of the General Meeting or require a General Meeting to be called without presenting an extract from the shareholder register if title to shares is recorded in the shareholder register system, and by presenting only a statement from the depot account if title to shares is recorded in a depot account. | In compliance                                      | When collecting proposals for the agenda of the General Meeting, including those regarding the candidates to the Board of Directors, the Company requests confirmation from the shareholder register on its own.   |
| 5.                                     | The Charter or internal By-laws of the company contain a requirement for the obligatory presence of the General Director, members of the Management Board, members of the Board of Directors, members of the audit commission and the external auditor of the company at the General Meeting.   | Not in compliance                                  | Such persons are usually present at the General Meetings held by the Company; however the Charter and By-laws have no provisions stipulating their responsibility to be present at the General Meetings.   |
| 6.                                     | Obligatory presence of the nominees for the positions of members of the Board of Directors, the General Director, members of the Management Board, members of the audit commission and external auditor during consideration by the General Meeting of their election and appointment.  | In compliance                                      | According to Article 29 of the Company's Regulation on the General Meeting "if the agenda of the Meeting includes the election of directors and/or the approval of the auditor, the persons included in the list of nominees for director voting and/or authorized representatives of the auditors (auditor) proposed for approval by the Meeting should be necessarily invited to the Meeting".<br>According to Clause 9.3.9 of the Charter, the formation and termination of authorities of the executive bodies of the Company are included in the competence of the Board of Directors.                          |

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| 7.                        | The By-laws of the company establish a registration procedure for the participants in the General Meeting.   | In compliance                                      | According to Clause 19 of the Company's Regulation on the General Meeting "the Registrar of the Company exercising the functions of the Counting Commission, verifies the authorities and registers persons participating in the Meeting... "and the time of the start of the registration is determined by the Board of Directors (Regulation on the General Meeting, Clause 4).  |
| <b>Board of Directors</b> |  |  |  |
| 8.                        | The company's Charter provides for the authority of the Board of Directors to approve annual financial and operating plans.  | In compliance                                      | Charter of the Company, Clause 9.3.1   |
| 9.                        | The company has a risk management procedure approved by the Board of Directors.  | In compliance                                      | Existing edition of the Charter (Clause 9.3.34). Risks are managed in accordance with Corporate Risk Management Framework approved by the Board of Directors (the minutes of meeting No. ГМК/27-пр-сд dated 16 December 2005). This document regulates risk management procedures which include the following elements: risk classification and definitions; <ul style="list-style-type: none"> <li>— methodological approaches to risk identification and assessment;</li> <li>— acceptable levels of risk (tolerance levels);</li> <li>— risk management methods;</li> <li>— distribution of responsibility in risk management;</li> <li>— control and reporting.</li> <li>— The Board of Directors considers the Company's risk register and approves a Program of critical risk mitigation activities on a regular basis.</li> </ul> |
| 10.                       | The company's Charter provides for the right of the Board of Directors to take a decision on suspending the authorities of the General Director appointed by the General Meeting.  | In compliance                                      | Charter of the Company, Clause 9.3.9   |
| 11.                       | The Charter of the company provides for the right of the Board of Directors to establish requirements for the qualifications and the level of compensation of the General Director, members of the Management Board and managers of the key structural divisions of the company.   | In compliance                                      | Charter of the Company, Clauses. 9.3.9, 9.3.27, 9.3.30, 9.3.31.<br>The Board of Directors has such authorities in respect of the General Director, members of the Management Board, Internal audit staff and the Corporate Secretary.  |
| 12.                       | The company's Charter provides for the right of the Board of Directors to approve the terms of the contracts with the General Director and members of the Management Board.  | In compliance                                      | Charter, Clause. 9.3.9.  |
| 13.                       | The Charter and By-laws of the company contain a requirement that votes of the members of the Board of Directors who act as the General Director and members of the Management Board should not be taken into account when the terms of the contracts with the General Director (managing entity, manager) and members of the Management Board are approved. | In compliance                                      | Charter, Clause 8.11.  |
| 14.                       | The Board of Directors includes at least 3 independent directors meeting the requirements of the Code of Corporate Conduct.  | In compliance                                      | The Board includes four independent directors. The Group uses the most conservative criteria to determine the independence of the members of its Board of Directors.   |

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| 15. | There are no persons on the Board of Directors recognized as guilty of committing offences in the sphere of economic activity; against the government or against the interests of the federal, regional and local government service; or that have been subjected to administrative penalties for offences in the sphere of entrepreneurial activities or in the sphere of finance, taxes and levies and the securities market. | In compliance                                      | According to Clause 6.8 of the Charter, proposals made by shareholders regarding candidates to the Board of Directors should include, among other, the following information on such candidates:<br>— past convictions for crimes in the economic sphere and crimes against government.                    |
| 16. | There are no persons on the Board of Directors who serve as members, the General Director (manager), members of the management body or employees of any competitor to the company.  | In compliance                                      | Regulation on the Board of Directors, Clause 1.5.  |
| 17. | The company's Charter contains a requirement that the Board of Directors be elected by cumulative vote.   | In compliance                                      | According to Clause 8.2 of the Charter "Members of the Board of Directors shall be elected by the Annual Meeting in the manner dictated by Federal Law". In accordance with Clause 4 of Article 66 of the Law "On Joint Stock Companies" members of the Board of Directors are elected by cumulative vote. |
| 18. | The By-laws of the company include the obligation of the members of the Board of Directors to refrain from any actions that will or may potentially lead to a conflict of interests with the company, and in the case of such conflict –their obligation to disclose information on such conflict to the Board of Directors   | In compliance                                      | Regulation on the Board of Directors, Clause 4.1.  |
| 19. | The By-laws of the company provide for the obligation of the members of the Board of Directors to notify the Board of Directors in writing of their intention to perform any transactions and disclose information on any transactions performed with securities of the company or subsidiaries (associates) of the company.  | In compliance                                      | Regulation on the Board of Directors, Clause 4.1.  |
| 20. | The By-laws of the company contain a requirement that a meeting of the Board of Directors should be held at least once every six weeks.   | In compliance                                      | Charter, Clause 8.8.<br>Regulation on the Board of Directors, Clause 3.1   |
| 21. | Meetings of the Board of Directors of the company were held at least once every six weeks in the year for which the annual report is presented.   | In compliance                                      | During the reporting year, 42 meetings of the Board of Directors were held.  |
| 22. | The By-laws of the company establish a procedure for the conducting of the meetings of the Board of Directors.  | In compliance                                      | Regulation on the Board of Directors, section 3 "Meetings of the Company's Board of Directors".  |
| 23. | The By-laws of the company include a provision on the need to have approval of the Board of Directors for company transactions amounting to 10% or more of the company's asset value, other than transactions performed in the ordinary course of business.   | In compliance                                      | According to Clause 9.3.33. of the Charter, the Board of Directors decides on any transactions involving an amount of two or more percent of the carrying value of the Company's assets.   |
| 24. | The By-laws of the company provide for the right of the members of the Board of Directors to receive information necessary for the performance of their functions from the executive bodies and managers of the key structural divisions, and liability of the latter for non-provision of such information.  | In compliance                                      | Regulation on the Board of Directors, Clause 1.6   |

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| 25. | There is a strategic planning committee of the Board of Directors or functions of such committee are assigned to some other committee (other than the Audit Committee or the Nomination and Compensation Committee).        | In compliance                                   | <p>According to the Charter of the Company, Clause 8.17, the Board of Directors creates Committees of the Board of Directors composed of members of the Board of Directors for the preliminary review of the most important issues and preparation of recommendations to the Board of Directors for the taking of decisions on such matters.</p> <p>The members of the Strategy Committee were elected by a resolution of the Board of Directors (minutes No. ГМК/1-пр-сд dated February 5, 2009):</p> <p>Sergey Batekhin (non-executive director) – chairman;</p> <p>Bradford Mills (independent director);</p> <p>Ardavan Moshiri (independent director);</p> <p>Vladislav Soloviev (non-executive director).</p> <p>The Regulation on the Committee of the Board of Directors on Strategy was confirmed by a resolution by the Board of Directors (minutes No. ГМК/4-пр-сд dated February 26, 2009).</p>  |
| 26. | There is a committee (Audit Committee) of the Board of Directors that recommends an external auditor to the Board of Directors and communicates with the external auditor and the internal audit commission of the company. | In compliance                                   | <p>The new edition of the Regulation on the Committee of the Board of Directors of OJSC MMC Norilsk Nickel on Audit was approved by the Board of Directors (minutes No. ГМК/4-пр-сд dated February 4, 2008).</p> <p>The edition of the Regulation on the Committee of the Board of Directors of OJSC MMC Norilsk Nickel on Audit was confirmed at the meeting of the Board of Directors dated February 26, 2009 (minutes No. ГМК/4-пр-сд).</p> <p>The members of the Audit Committee were elected by a resolution of the Board of Directors (minutes No. ГМК/26-пр-сд dated July 14, 2008):</p> <p>Guy de Selliers (independent director) – chairman;</p> <p>Andrei Bougrov (non-executive director);</p> <p>Alexander Bulygin (non-executive director).</p> <p>A new Board of Directors of the Company was elected by the Extraordinary General Meeting of Shareholders of OJSC MMC Norilsk Nickel on December 26, 2008.</p> <p>The new composition of the Audit Committee (minutes No. ГМК/1-пр-сд dated February 5, 2009) is:</p> <p>Gerard Holden (independent director) – chairman;</p> <p>Andrei Bougrov (non-executive director);</p> <p>Ardavan Moshiri (independent director);</p> <p>Maxim Sokov (non-executive director)</p> <p>In accordance with Section 2 of the Regulation on the Committee of the Board of Directors on Audit, its covers (along with other authority):</p> <p>development of recommendations to the Board of Directors on the selection of an independent auditor;</p> <p>interaction with the Company's Auditing Commission.</p> |

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| 27. | The Audit Committee includes only independent and non-executive directors.   | In compliance                                      | In accordance with Clause 3.2 of the Regulation on the Audit Committee of the Board of Directors, "the Audit Committee may include only independent (meeting independence criteria set out in Clause 8.15 of the Company's Charter) and non-executive (those who are not the sole executive body of the Company and (or) members of the Company's collective executive body) members of the Board of Directors".  |
| 28. | The Audit Committee is chaired by an independent director.   | In compliance                                      | In accordance with Clause 3.4 of the Regulation on the Audit Committee of the Board of Directors, "the Audit Committee may be chaired only by an independent member of the Board of Directors". On July 14, 2008, the Board of Directors elected Mr. Guy de Selliers, an independent director, as the Chairman of the Audit Committee of the Board of Directors.<br>At the present time, the chairman of the Audit Committee is Gerard Holden, an independent director.   |
| 29. | The By-laws of a joint stock company provide for access by all members of the Audit Committee to any company documents and information company subject to non-disclosure of confidential information.  | In compliance                                      | The Regulation on the Board of Directors (Clause 1.6) provides for the right for all directors to "obtain any information relating to the activities of the Company from any divisions and functions of the Company" and the responsibility of the directors (Clause 1.5) "not to disclose confidential information that became known to them about the activities of the Company and not to disclose insider information".<br>The Regulation on the Audit Committee of the Board of Directors (Section 6) provides for the right of members of the Committee to request information and documents pertaining to matters within the competence of the Committee from the Board of Directors, the Management Board, the General Director, the Revision commission and auditor of the Company.  |
| 30. | There is a committee (Nomination and Compensation Committee) of the Board of Directors that is responsible for the determination of the criteria for the selection of candidates to the Board of Directors and development of the company's compensation policies. | In compliance                                      | The Charter (Clause 9.3.38) and Regulation on the Board of Directors (Clause 1.8) provide for the possible creation of Committees of the Board of Directors including members of the Board of Directors.<br>According to the Charter of the Company, Clause 8.17, the Board of Directors creates Committees of the Board of Directors composed of members of the Board of Directors for the preliminary review of the most important issues and preparation of recommendations to the Board of Directors for the taking of decisions on such matters.<br>The members of the Corporate Governance, Nomination and Remuneration Committee were elected by a resolution of the Board of Directors (minutes No. ГМК/1-пр-сд dated February 5, 2009):<br>Andrey Klishas (non-executive director) – chairman<br>Gerard Holden (independent director)<br>Maxim Sokov (non-executive director)<br>The Regulation on the Committee of the Board of Directors on Corporate Governance, Nomination and Remuneration was confirmed by a resolution by the Board of Directors (minutes No. ГМК/4-пр-сд dated February 26, 2009). |

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| 31.                     | The Nomination and Compensation Committee is headed by an independent director.  | Not in compliance                                  | In accordance with Clause 1.8 of the Regulation on the Board of Directors "... Committees of the Board of Directors shall be chaired by members of the Board of Directors who are not members of the executive bodies of the Company, and they shall include independent directors".  |
| 32.                     | There are no executives of the company in the Nomination and Compensation Committee.   | In compliance                                      | In accordance with Clause 3.2 of the Regulation of the Committee of the Board of Directors on Corporate Governance, Nomination and Remuneration, members of the Committee may only be members of the Board of Directors who do not occupy executive positions in the Company.   |
| 33.                     | The existence of a risk committee of the Board of Directors or the assignment of the functions of such a committee to another committee (other than the Audit Committee or the Nomination and Compensation Committee).                                 | Not in compliance                                  | The Charter (Clause 9.3.38) and Regulation on the Board of Directors (Clause 1.8) provide for possible creation of Committees of the Board of Directors including members of the Board of Directors. The Company does not have a Risk Committee of the Board of Directors.  |
| 34.                     | The existence of a committee for the settlement of corporate conflicts of the Board of Directors or the functions of such a committee are assigned to another committee (other than the Audit Committee or the Nomination and Compensation Committee). | Not in compliance                                  | The Charter (Clause 9.3.38) and Regulation on the Board of Directors (Clause 1.8) provide for the possible creation of Committees of the Board of Directors including members of the Board of Directors. The Company does not have a committee of the Board of Directors for the settlement of corporate conflicts.   |
| 35.                     | There are no executives of the company on the committee for the settlement of corporate conflicts.   | Not applicable                                     | The Company does not have a committee of the Board of Directors for the settlement of corporate conflicts.  |
| 36.                     | The committee for the settlement of corporate conflicts is headed by an independent director.  | Not applicable                                     | The Company does not have a committee of the Board of Directors for the settlement of corporate conflicts. Meanwhile, in accordance with Clause 1.8 of the Regulation on the Board of Directors "... Committees of the Board of Directors shall be chaired by members of the Board of Directors that are not members of the executive bodies of the Company, and they shall include independent directors". |
| 37.                     | The company has internal By-laws approved by the Board of Directors providing for the procedure of formation and operation of the Committees of the Board of Directors.  | In compliance                                      | The order of formation and work of the Committee of the Board of Directors for Audit, the Committee of the Board of Directors for Strategy, the Committee of the Board of Directors for Corporate Governance, Nomination and Remuneration is regulated in accordance with the Regulations confirmed by a resolution of the Board of Directors dated February 26, 2009 (minutes No. ГМК/4-пр-сд).            |
| 38.                     | The company's Charter provides for a procedure to determine the quorum of the Board of Directors that would ensure obligatory participation of independent directors at the Board meetings.  | In compliance                                      | Charter, Clause 8.14.   |
| <b>Executive bodies</b> |  |  |   |
| 39.                     | The company has a collegiate executive body (Management Board).  | In compliance                                      | Charter of the Company, section 10 "Executive bodies of the Company".   |

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| 40. | The Charter or By-laws of the company contain provisions on the need to have approval of the Management Board for real-estate transactions and loans received by the company unless such transactions are major deals or are performed in the ordinary course of business.   | In compliance                                      | Charter, Clause. 10.8.3.   |
| 41. | The By-laws of the company establish procedures for the approval of transactions which are outside the scope of the company's financial and operational plan.  | Not in compliance                                  | Virtually all operations outside the scope of the Company's financial and operational plan are considered by the Company's Board of Directors. In accordance with Clause 9.3.33 of the Company's charter, the competence of the Company's Board of Directors includes decisions on transactions in the amount of 2% or more of the book value of the Company's assets according to the accounting data at the latest reporting date. |
| 42. | There are no persons on executive bodies who serve as members, the General Director (manager), members of the management body or employees of any competitor of the company.   | In compliance                                      | The recommendation is complied with; however, the Charter and By-laws of the Company contain no provisions that would require compliance with the limitations established by the recommendations from the members of the Company's executive bodies.   |
| 43. | There are no persons on management bodies recognized guilty of committing offences in the sphere of economic activity; against the government, against interests of the federal, regional and local government service; or who have been subject to administrative penalties for offences in the sphere of entrepreneurial activities or in the sphere of finance, taxes and levies and the securities market. If the functions of the sole executive body are performed by a managing entity or a manager – whether the General Director and members of the Management Board of the managing entity or manager meet the requirements established for the General Director and members of the Management Board of the company. | In compliance                                      | The recommendation is complied with; however, the Charter and By-laws of the Company contain no provisions that would require compliance with the limitations established by the recommendations from the members of the Company's executive bodies.   |
| 44. | The Charter or By-laws of the company contain a prohibition for the managing organization (manager) to perform similar functions for a competitor or have any other property relations with the company other than the provision of management services.   | Not applicable                                     | The functions of the sole executive body of the Company have not been transferred to a managing organization (manager).  |
| 45. | The By-laws of the company include the obligation of the members of the executive bodies to refrain from any actions that will or may potentially lead to a conflict of interests with the company and in the case of such conflict – of their obligation to inform the Board of Directors of the existence of such a conflict.  | Not in compliance                                  | The By-laws of the Company do not provide for such an obligation. Meanwhile, according to the Charter (Clause 10.9) "The General Director and members of the Managing Board, in exercising their rights and responsibilities, shall act in the interests of the Company, and exercise their rights and responsibilities in respect of the Company faithfully and reasonably..."  |
| 46. | The Charter or By-laws of the company contain criteria for the selection of the managing organization (manager).   | Not applicable                                     | The functions of the sole executive body of the Company have not been transferred to a managing organization (manager).  |
| 47. | Executive bodies provide monthly reports on their activities to the Board of Directors.  | Not in compliance                                  | Reports on the Company's operations are provided to the Board of Directors on a quarterly basis.   |

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| 48.                             | The contracts made by the company with the General Director (managing organization, manager) and members of the Management Board stipulate liability for violation of the provisions on the use of confidential and insider information.   | In compliance                                   | The contracts made by the company with the General Director (managing entity, manager) and members of the Management Board stipulate liability for violation of the provisions on the use of confidential and insider information.<br>In accordance with Clause 10.9 of the Charter, General Director and members of the Management Board "shall be liable to the Company for losses incurred by the Company as a result of their wrongful acts (omissions) in accordance with the laws of the Russian Federation".<br>In accordance with Clause 6.1 of the Regulation on Insider Information, for unlawful disclosure and use of insider information of the Company, General Director and members of the Management Board "shall be held liable in accordance with the current legislation, by-laws of the Company and the terms of agreements concluded with the Company". |
| <b>Secretary of the Company</b> |  |   |  |
| 49.                             | There is a special official in the company (company secretary) whose function is to ensure that the company's bodies and officials comply with procedural requirements guaranteeing the exercise of the legal rights and interests of the company's shareholders.  | In compliance                                   | Charter, Clause 11.<br>On December 1, 2008, by a resolution of the Board of Directors (minutes No. ГМК/39-пр-сд), Mr. O.V. Surikov was appointed secretary of MMC Norilsk Nickel   |
| 50.                             | The Charter or By-laws of the company establish a procedure for the appointment (election) of the company secretary and responsibilities of the company secretary.   | In compliance                                   | Charter, Clause 11.  |
| 51.                             | The company's Charter contains requirements for the candidate for the position of the company secretary.   | Not in compliance                               | These qualifications are not defined in the Charter.   |
| <b>Major corporate actions</b>  |  |   |  |
| 52.                             | The Charter or By-laws of the company contain a requirement on approval of any major deal before it is concluded.  | In compliance                                   | Charter, Clause 9.3.16.  |
| 53.                             | Obligatory engagement of an independent appraiser to determine the market value of any property that is subject to major transactions.   | In compliance                                   | The recommendation is complied with. However, the issue is not regulated by the Company's Charter and by-laws.   |
| 54.                             | In the event of acquisition of any large stakes in the company (takeover), the Charter of the company prohibits the taking of any actions aimed at the protection of interests of the executive bodies (members of such bodies) and members of the Board of Directors, and also such actions that make the position of shareholders worse than their current position (in particular, prohibition of a decision by the Board of Directors to issue additional shares, securities convertible into shares or securities granting the right to acquire shares in the company before the end of the expected time of the acquisition of shares, even if the right to take such decision is granted by the Charter). | Not in compliance                               | These qualifications are not defined in the Charter. At the same time, according to the Charter (Clause 10.9) "The General Director and members of the Managing Board, in exercising their rights and responsibilities, shall act in the interests of the Company, and exercise their rights and responsibilities in respect of the Company faithfully and reasonably..."  |

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| 55.                           | The company's Charter contains a requirement for the obligatory engagement of an independent appraiser to determine the current market value of shares and potential changes in their market value as a result of takeover.   | Not in compliance                                  | The Group's shares are traded on the leading Russian stock exchanges: on the Moscow Inter-bank Currency Exchange (MICEX) and the Russian Trading System (RTS), and in the form of ADRs over-the-counter in the United States, on the over-the-counter section of the London Stock Exchange and Berlin Stock Exchange, which determine their current market value.   |
| 56.                           | The company's Charter contains no exemption of the acquirer from the obligation to offer a buy-out of the company's ordinary shares (other securities convertible into ordinary shares) to the shareholders upon takeover.  | Not in compliance                                  | On 24 June 2004, the Annual General Meeting of Shareholders made the decision to exclude the provision from the Company's Charter exempting the acquirer (of 30% or more of the Company's shares) from the obligation to offer a buyout of the Company's shares to other shareholders.  |
| 57.                           | The Charter or By-laws of the company contain a requirement for the obligatory engagement of an independent appraiser to determine the proportion for the conversion of shares upon reorganization.   | Not in compliance                                  | This requirement is not defined in the Charter or By-laws of the Company.   |
| <b>Information disclosure</b> |   |  |   |
| 58.                           | There is an internal document approved by the Board of Directors determining policies and procedures used by the company for the disclosure of information (Regulation on Information Policies).  | In compliance                                      | Such regulation was approved by the Company's Board of Directors.   |
| 59.                           | The By-laws of the company contain a requirement for the disclosure of the purposes of a placement of shares, persons that intend to acquire shares placed, including large stakes, and participation of company officials in the acquisition of the shares placed.   | Not in compliance                                  | This requirement is not defined in the By-laws of the Company.  |
| 60.                           | The By-laws of the company contain a list of information, documents and materials that should be provided to shareholders for the decision on the issues put for the consideration of the General Meeting.  | In compliance                                      | Charter, Clause 6.7; Regulation on the General Meeting, Clause 9.   |
| 61.                           | The company has a web site and regularly discloses information about the company on the web site.   | In compliance                                      | Charter, Clause 6.4   |
| 62.                           | The By-laws of the company contain a requirement to disclose information about any deal carried out by the company with persons who are senior executives of the company in accordance with the Charter, and deals of the company with entities of which senior executives of the company directly or indirectly hold 20% or more of the share capital or upon which such persons may otherwise exercise significant influence. | Not in compliance                                  | This requirement is not defined in the By-laws of the Company.<br><br>In accordance with Clause 8.6.1 (Para. e) of the Regulation on Information Disclosure by Issuers of Emittted Securities, approved by the Resolution of FCSM of Russia No. 05-5/пз-н dated 16 March 2005, the Company discloses information on a deal carried out with interested parties if the price of the deal is equal to or exceeds 5% of the carrying value of assets of the Company as per its financial statements for the last reporting date before the deal is approved by an authorized body of the Company as stipulated by Russian law. |

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| 63.   | The By-laws of the company contain a requirement to disclose information on all transactions that may affect the market value of the company's shares.   | Not in compliance                                  | <p>This requirement is not contained in the By-laws of the Company.</p> <p>In accordance with the requirements of the Regulation on Information Disclosure by Issuers of Emission Securities approved by the Resolution of FCSM of Russia No. 05-5/пз-н on 16 March 2005, the Company discloses information that may affect the market value of the Company's shares and information in the form of material events reports.</p> <p>In addition, the Company discloses, on a regular basis, information on all significant transactions through dissemination of press-releases and posting information on the corporate Internet site.</p>   |
| 64.   | There is an internal document approved by the Board of Directors on the use of significant information on the activity, shares and other securities of the company and transactions with such shares and other securities, which is not publicly available and the disclosure of which may have material impact on the market value of shares and other securities of the company. | In compliance                                      | The Regulation on Insider Information, approved by the Board of Directors on 30 December 2004, is in effect in the Company.   |
| <b>Control of financial and economic operations</b> |  |  |   |
| 65.   | There are internal control procedures over the financial and operational activities of the company approved by the Board of Directors.   | In compliance                                      | Clause 1.3.4 of the Regulation on internal control over financial and operating activities of OJSC MMC Norilsk Nickel approved by the Board of Directors of the Company on 14 July 2006.  |
| 66.   | There is a special division in the company ensuring compliance with internal control procedures (internal control service).  | In compliance                                      | <p>In accordance with Clause 2.2 of the Regulation on internal control over the Company's financial and operational activity, control over the observance of procedures for internal control is carried out by the Department for Internal Control.</p> <p>The Company has a division ensuring compliance with the internal control procedures – the Internal Control Department. This department does not fully comply with the requirements for the internal control service. However, it fully complies with listing requirements for the leading Russian stock exchanges (RTS, MICEX) based on the requirements of the Regulation on the Organization of Trade in the Securities Market approved by the Resolution of FCSM of Russia No. 07-102/пз-н on 9 October 2007.</p> |
| 67.   | The By-laws of the company contain a requirement that the structure and members of the internal control service should be determined by the Board of Directors.  | In compliance                                      | <p>In accordance with Clauses 9.3.27, 9.3.28, 9.3.29 of the Charter, the confirmation of the Regulation of the Control and Auditing Service, the confirmation of requirements for candidates to work in the Service and the appointment of the head of the Service falls under the authority of the Board of Directors.</p> <p>The structure and composition of the Control and Auditing Service created in the Company is defined by the Regulation of the Department for Internal Control and the instructions of from the Department.</p>  |

| N   | PROVISION OF THE CODE OF CORPORATE GOVERNANCE   | IN COMPLIANCE/ NOT IN COMPLIANCE <sup>(2)</sup> | NOTES  |
|-----|---|---|--|
| 68. | There are no persons in the internal control service recognized as guilty of committing offences in the sphere of economic activity; against the government, against interests of the federal, regional and local government service; or that have been subjected to administrative penalties for offences in the sphere of entrepreneurial activities or in the sphere of finance, taxes and levies and the securities market. | In compliance                                   | The recommendation is complied with. However, the By-laws of the Company contain no provisions that would require compliance with the limitations established by the recommendations from the staff of the Company's Internal Control Department.  |
| 69. | There are no persons in the internal control service who serve as members of the executive bodies of the company, as well as members, the General Director (manager), members of the management bodies or employees of any competitor of the company.   | In compliance                                   | This recommendation is complied with. However, the By-laws of the Company contain no provisions that would require compliance with the limitations established by the recommendations from the staff of the Company's Internal Control Department.   |
| 70. | The By-laws of the company establish dates for the submission of documents and materials to the internal control service for the assessment of financial and operational transactions performed, and liability of officials and employees of the company for failure to provide them in time.   | Not in compliance                               | This requirement is not defined in the By-laws of the Company.   |
| 71. | The By-laws of the company provide for the obligation of the internal control service to communicate any violations detected to the Audit Committee, and where there is no such committee to the Board of Directors.  | In compliance                                   | In accordance with Clauses 3.4 and 3.5 of the Regulation on internal control over financial and operating activities of OJSC MMC Norilsk Nickel approved by the Board of Directors of the Company on July 14, 2006, the Head of the Internal Control Department shall inform the Audit Committee of the Board of Directors and the General Director of the identified breaches of internal control procedures.   |
| 72. | The company's Charter contains a requirement on preliminary assessment of the practicality of transactions not envisaged in the company's financial and operational plan (unusual transactions) by the internal control service.  | Not in compliance                               | The Company's Charter contains no such requirement.  |
| 73. | The By-laws of the company establish a procedure for the agreement of any unusual transactions with the Board of Directors.   | Not in compliance                               | Actually all unusual transactions are considered by the Company's Board of Directors.  |
| 74. | There is an internal document determining the procedure of audits of the financial and operating activities by the internal audit commission approved by the Board of Directors.  | In compliance                                   | Regulation on the internal audit commission, section 5 "Procedure of audits (inspections)".  |
| 75. | The Audit Committee performs an assessment of the auditor's report before it is presented to the shareholders in the General Meeting.   | In compliance                                   | Clause 2.3.1 (e) of the Regulation of the Audit Committee of the Board of Directors provides that it is within the competence of the Audit Committee to "review financial statements and results of audits, discuss them with external auditors and management of the Company before they are presented to the Board of Directors of the Company".<br>In accordance with Clause 6.7 of the Charter, "the review of the Auditor's Report, prepared by the Audit Committee" constitutes "information (materials) to be made available to persons eligible to participate in a Meeting in the course of preparation for the Meeting". |

| N                | PROVISION OF THE CODE<br>OF CORPORATE GOVERNANCE  | IN COMPLIANCE/<br>NOT IN COMPLIANCE <sup>(2)</sup> | NOTES  |
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| <b>Dividends</b> |   |  |  |
| 76.              | There is an internal document approved by the Board of Directors used as guidance by the Board of Directors in developing recommendations on the size of dividends (Regulation on Dividend Policies).   | In compliance                                      | The minutes of meeting of the Board of Directors No. ГМК/18-пр-сд dated June 4, 2002.  |
| 77.              | The Regulation on Dividend Policies contains a procedure for the determination of the minimum share of the net profit of the company used for the payment of dividends, and conditions under which dividends are not paid or are not paid in full on preferred shares for which the size of dividends is determined in the company's Charter. | In compliance                                      | The minutes of meeting of the Board of Directors No. ГМК/18-пр-сд dated June 4, 2002. The recommendations regarding terms of dividend payment on preferred stock are not applicable to the Company due to the absence of this class of shares. |
| 78.              | The publication of information on dividend policies of the company and any amendments thereto in a periodical stipulated in the company's charter for the publication of announcements on General Meetings, and on the web site of the company on the Internet.   | In compliance                                      | Information on dividend policies is provided in annual reports, social reports, quarterly reports, on the Company's corporate web-site and in other media.   |

## Notes:

- (1) This report on compliance with the Corporate Governance Code was prepared in accordance with the Methodical recommendations approved by the Directive of the FCSM of Russia No. 03-849/p dated 30 April 2003.
- (2) For the purposes of this annual report, "in compliance"/"not in compliance" answers in respect of a specific provision of the Corporate Governance Code should be interpreted as compliance/noncompliance by the Company with the principal (material) part of the

provision in accordance with the Company's Charter or bylaws effective at the time of preparation of this annual report and/or based on the existing corporate governance practices at the Company. For the purposes of this annual report, "not applicable" in respect of a specific provision of the Corporate Governance Code should be understood as non-applicability of the recommendation to the Company due to the absence of the respective institute/procedure in the Company.