

# 11. CORPORATE GOVERNANCE REPORT

The Company continues to improve corporate governance principles, in accordance with best international practice. Openness to dialog and transparency in decision making are among top objectives of the management of Norilsk Nickel.

The Board of Directors has positively appraised management's work in 2009.

# **BOARD OF DIRECTORS OF MMC NORILSK NICKEL**

The Board of Directors of the Company was elected at the Annual General Meeting of Shareholders of MMC Norilsk Nickel, which took place on June 30, 2009. The following directors were elected: Alexander Voloshih, German Aliyev, Andrey Klishas, Andrey Bugrov, Ardavan Moshiri, Bradford Mills, Maxim Goldman, Vasily Titov, Anton Cherny, Maxim Sokov, Vladislav Soloviev, Dmitry Razumov, and Vladimir Strzhalkovsky.

Alexander Voloshih was elected the Chairman of the Board of Directors of the Company at the first meeting of new Board of Directors, which took place after the General Meeting of Shareholders.



### ALEXANDER VOLOSHIN

Member of the Board of Directors since December 2008, Chairman of the Board of Directors

Born on March 3, 1956.  
Graduated from the Moscow Institute of Transport Engineers.

From 2003 to 2008 — Chairman of the Board of Directors of OJSC RAO UES Russia.  
From 2004 to 2008 — Member of the Board of Directors of OJSC Federal Grid Company of Unified Energy System, OJSC System Operator — Centralized Dispatching Administration of Unified Energy System, OJSC MRSK Holding, and OJSC RAO Energy Systems of the East.  
From December 26, 2008, to present — Chairman of the Board of Directors of OJSC MMC Norilsk Nickel.



### GERMAN ALIEV

Member of the Board of Directors since June 30, 2009

Born in 1970.  
From 2003 to 2008 — Deputy Chairman of the Board of OJSC AKB ROSBANK.

From 2006 to 2008 — Member of the Board of Directors and member of the Audit Committee and of the Investment Committee of Mirland Development Corporation plc.  
From 2008 to present — Deputy General Director of CJSC Holding Company INTERROS and member of the Board of Directors of CJSC Holding Company INTERROS, (SWITZERLAND) S.A., and Altpoint Capital Partners LLC.  
From 2009 to present — Member of the Board of Directors of OJSC AKB ROSBANK, OJSC MMC Norilsk Nickel, TowerCo II Holdings LLC, Amquip Holdings LLC, Ford Models Inc., AHN Holdings LLC, as well as Chief Executive Officer of Altpoint Capital Partners LLC.



### ANDREY BOUGROV

Member of the Board of Directors since 2002

Born in 1952. After graduation from the Moscow State Institute for International Relations (MGIMO), enrolled in the MGIMO graduate school and after graduation received a PhD in economics.

From 2002 to 2006 — member of the Management Board and member of the Committee on Financial Markets and Lending Institutions of the Chamber of Commerce and Industry of the Russian Federation.  
From 2002 to 2009 — member of the Board of Directors of OJSC AKB Rosbank.  
From 2002 to present — member of the Board of the Non-Government Public Association “Foreign and Defense Policy Council” and member of the Board of Directors of OJSC MMC Norilsk Nickel.  
From 2003 to 2005 — member of the Board of Directors of OJSC Russian Communal Systems.  
From 2003 to 2006 — Chairman of the Supervisory Board of LLC Fincom Investments and Management.



**MAKSIM  
GOLDMAN**

Member of the Board of Directors since June 30, 2009

From 2003 to 2007 — Director of AIG-INTERROS ADVISOR, LTD and AIG-INTERROS RCF, LTD and Chairman of the Board of Directors of OJSC Open Investments.

From 2004 to 2006 — Chairman of the Board of Directors of CJSC Prof-Media Publishing.

From 2004 to 2008 — member of the Board of Directors of CJSC Holding Company INTERROS and of OJSC RAO UES Russia.

From 2004 to present — Managing Director of CJSC Holding Company INTERROS.

In 2005 — member of the Board of Directors of OJSC Territorial Generation Company No. 1 and OJSC Power Machines — LMZ, ZTL, Elektrosila, and Energomashexport.

From 2005 to 2007 — Chairman of the Board of Directors of LLC Prof-Media Management.

From 2006 to 2007 — member of the Management Board of the Bureau of Economic Analysis Fund.

From 2006 to present — member of the Management Board of the Russian Union of Industrialists and Entrepreneurs and member of the Board of Directors of Altpoint Capital Partners LLC.

From 2007 to 2008 — Chairman of the Board of Directors of OJSC Third Generation Company of Wholesale Electricity Market and member of the

Board of Directors of LLC Prof-Media Management, OJSC Territorial Generation Company No. 1, and Advanced Metallurgical Group N.V.

From 2007 to present — Chairman of the Management Board of the Bureau of Economic Analysis Fund and also member of the Board of Managers of the Autonomous Non-Profit Organization "Center for Sustainable Economic Development".

In 2008 — member of the Management Board of CJSC Holding Company INTERROS.

From 2008 to present — Chairman of the Board of Directors of LLC Prof-Media Management and also member of the Board of Directors of CJSC Holding Company INTERROS.

Born in 1971.

From 1999 to 2005 — Lawyer at Chadbourne & Parke LLP.

From 2005 to 2007 — Vice-President for International Legal Matters at OJSC SUAL-Holding.

From 2006 to 2009 — Member of the Board of Directors of OJSC Kirovskiy Plant.

In 2007, Director of the Securities Department, CJSC RUSAL Global Management B.V.

From 2007 to present — Deputy Director for Investments at the Branch of Renova Management AG and a member of the Board of Directors of the Group of Companies "Nezavisimost" (Independence).

From 2009 to present — Member of the Board of Directors of OJSC MMC Norilsk Nickel.



## ANDREY KLISHAS

Member of the Board of Directors since 2001

Born in 1972. In 1993, graduated from Urals State University with a degree in the History of Philosophy. In 1998, was awarded bachelor's degree in law from the Russian Peoples Friendship University. In 2000, graduated with honors and a Master's of Law degree from the Russian Peoples Friendship University. Doctor of Legal Sciences and an Assistant Professor of Constitutional and Municipal Law in the Legal Department of the Russian Peoples Friendship University. An Assistant Professor of Constitutional and Municipal Law at the Moscow University of the Ministry of Internal Affairs of Russia. Since 2002, has published more than 35 scientific papers on the constitutional and municipal Law of Russia and foreign countries and questions of the constitutional justice of Russia and foreign countries.

From 2001 to 2008 — General Director, Chairman of the Management Board of CJSC Holding Company INTERROS, and Chairman of the Board of Directors of OJCS RAO Norilsk Nickel and OJCS MMC Norilsk Nickel.

From 2002 to 2005 — Member of the Board of Directors of OJSC POWER MACHINES — ZTL, LMZ, Electrosila, Energomashexport.

From 2002 to 2008 — Member of the Board of Directors of CJSC Agro-Industrial Complex Agros.

From 2003 to 2006 — Member of the Supervisory Board of LLC Fincom Investments and Management.

From 2003 to present — Member of the Expert Council of the Ministry of Internal Affairs of the Russian Federation and member of the Trustee Council of the Russian Lawyers Association.

From 2004 to 2008 — Chairman of the Board of Directors of OJSC AKB Rosbank and member of the Board of Directors of CJSC Holding Company INTERROS.

From 2005 to present — Member of the National Council on Corporate Governance.

From 2006 to 2007 — Member of the Board of Directors of OJSC Polyus Zoloto and LLC Rosa Khutor.

From 2007 to 2008 — Chairman of the Board of Directors of OJSC Open Investments and member of the Board of Directors of CJSC KM Invest.

From 2007 to present — Member of the Public Council of the Ministry of Internal Affairs of the Russian Federation.

In 2008, General Director of CJSC KM Invest and Vice-Chairman of the Management Board of CJSC Holding Company INTERROS.

From 2008 to 2009 — Member of the Board of Directors of OJSC RAO Norilsk Nickel, OJSC AKB ROSBANK, and OJSC Polyus Zoloto.

From 2008 to present — Chairman of the Board of Directors and Vice-President of CJSC Holding Company INTERROS and also member of the Board of Directors of OJSC MMC Norilsk Nickel.

Awarded with the Russian Orthodox Church Order of the Reverend Sergiy Radonejskiy of the II Degree.

Awarded with the Order of the Russian Orthodox Church of the Saint Duke Daniel Moskovskiy of III Degree.

Awarded with the memorable award of the Russian Orthodox Church of the Saint Nikolay of I Degree. For considerable input into the realization of the state policy in justice, for securing the rights and legal interests of Russia and its citizens, for active assistance in resolving various tasks of the Russian Ministry of Justice, awarded with Anatoly Koni medal.

Awarded with a Certificate of Merit by the Order of the Minister of Industry and Energy of the Russian Federation for great personal contribution to industry development, for long conscientious work, and on the occasion of the memorable date of incorporation of OJSC MMC Norilsk Nickel.

Awarded with the Medal of the Order of Merit for the Fatherland of the II degree.



**BRADFORD  
ALLAN MILLS**

Member of the Board of Directors since December 2008

Born on September 12, 1954.

In 1979, graduated from Stanford University (Bachelor's Degree, Master of Sciences with a degree in Geology and Economic Geology).

From 2001 to 2004 — President of BHP Billiton Base Metals.

From 2004 to 2008 — General Director of Lonmin Plc.

Since December 26, 2008, member of the Board of Directors of OJSC MMC Norilsk Nickel.

From 2009 to present — Managing Director of Plinian Capital Plc. and Sole Executive Body (CEO) of Mandalay Resources.



**ARDAVAN  
MOSHIRI**

Member of the Board of Directors since December 2008

Born on May 18, 1955.

Graduated from University of London.

From 1993 to 2006 — Financial Control Officer, Managing Director and Executive Director of Global Natural Energy Plc (previously, Middlesex Holdings Plc).

From 1998 to 2008 — Member of the Board of Directors of OJSC Oskolsky Electro-Metallurgical Factory.

From 1999 to 2008 — Member of the Board of Directors of OJSC Lebedinsky Mining and Concentration Plant.

From 2000 to 2008 — Executive Director of Europe Steel Plc.

From 2004 to 2008 — Member of the Board of Directors of OJSC Ural Steel.

From 2005 to present — Member of the Board of Directors of Gallagher Holdings Limited.

From 2006 to present — Chairman of the Board of Directors of LLC Management Company Metalloinvest and a member of the Board of Directors of Cortland Trading Limited.

From 2007 to 2008 — Member of the Board of Directors of OJSC Mikhailovsky GOK.

From 2007 to 2009 — Member of the Board of

Directors of Red and White Holdings Limited and Nautilus Minerals Inc.

From 2007 to present — Member of the Board of Directors of Epion Holdings Limited.

From 2008 to 2009 — Chairman of the Board of Directors of OJSC Holding Company Metalloinvest.

From 2008 to present — Member of the Board of Directors of Strike Resources Limited and OJSC MMC Norilsk Nickel.



### DMITRIY RAZUMOV

Member of the Board of Directors since June 30, 2009

Born in 1975.

In 1997, graduated from the Moscow State Institute for International Relations (International Law School).

From 2001 to 2005 — Deputy General Director of OJSC MMC Norilsk Nickel.

From 2007 to present — General Director of LLC ONEXIM Group.

From 2008 to present — Member of the Board of Directors of United Company RUSAL Limited, OJSC Open Investments, LLC Management Company “Intergeo”, and Director of Nor-Med Limited. 2008 — Member of the Board of Directors of LLC Insurance Company “Soglasie”.

From 2009 to present — Chairman of the Board of Directors of OJSC CB “International Finance Club” and Member of the Board of Directors of Renaissance Financial Holdings Limited and OJSC MMC Norilsk Nickel.



### MAKSIM SOKOV

Member of the Board of Directors since December 2008

Born on January 1, 1979.

In 2000, graduated with honors from the Russian State Tax Academy under the Russian Ministry of Taxes with a degree in law. In 2002, earned a Master of Law degree from New York University, USA.

From 2002 to 2004 — Lawyer at the Moscow Representative Office of the legal firm Herbert Smith CIS Legal Services.

From 2004 to 2007 — Head of Mergers and Acquisitions, LLC RUSAL Management Company.

From 2007 to 2008 — Director of the Strategic Projects Department, CJSC RUSAL Global Management B.V.

From 2008 to present — Director for Management of Investments in OJSC MMC Norilsk Nickel at CJSC RUSAL Global Management B.V. and General Director of LLC OK RUSAL Investment Management, as well as a member of the Board of Directors of OJSC MMC Norilsk Nickel.

From 2009 to present — Member of the Board of Directors of OJSC Third Generation Company of Wholesale Electricity Market.



### VLADISLAV SOLOVIEV

Member of the Board of Directors since December 2008

Born on May 14, 1973.

In 1995, graduated from the Higher School of Management of the State Academy of Management with a degree in Financial Management. In 1996, earned a degree in Process and Production Automation from the Stankin Moscow State Technology University. In 2002, graduated from the All-Russian State Tax Academy of the Ministry for Taxes and Levies of the Russian Federation with a major in Jurisprudence. In 2004, completed education at the Institute for Business Administration, School of Management, UAMS University of Antwerp, Belgium, and earned an MBA.

From 2003 to 2007 — Deputy General Director for Finance of LLC RUSAL Management Company.

In 2007, Branch Financial Director, CJSC RUSAL Global Management B.V.

Since 2006, Member of the Board of Trustees for the Non-Profit Organization “Charitable Fund Good Home”.

From 2008 to present — General Director of LLC En+ Management.

Since 2008, Member of the Board of Directors of OJSC EuroSibEnerg.

Since 2008, Chairman of the Board of Directors of LLC Unified Oil Group.



**VLADIMIR  
STRZHALKOVSKY**

Member of the Board of Directors since December 2008, General Director — Chairman of the Management Board since August 2008

Since 2008, Director of EN+ Group Limited (previously, Eagle Capital Group Limited).

Since 2008, Director of En+ Power Limited.

Since 2007, Director of United Company RUSAL Limited.

Since December 26, 2008, Member of the Board of Directors of OJSC MMC Norilsk Nickel.

Since April 9, 2010 to present, First Deputy General Director and member of the Management Board at UC RUSAL Plc.

Born May 29, 1954 in Leningrad (St. Petersburg). In 1977, graduated from V.I. Lenin Leningrad Institute of Electric Engineering, majored in Applied Mathematics, and subsequently earned a PhD in Economics.

From 2000 to 2004 — Deputy Minister of Economic Development and Trade of the Russian Federation.

From 2004 to 2008 — Head of the Federal Tourism Agency.

From 2008 to present — General Director — Chairman of the Management Board and a member of the Board of Directors of OJSC MMC Norilsk Nickel.

**VASILY  
TITOV**

Member of the Board of Directors since June 30, 2009

Born on December 30, 1960.

In 1983, graduated from A. A. Zhdanov Leningrad State University with a degree in World History; qualification: Historian. In 2002, graduated from the Finance Academy under the Government of the Russian Federation with a degree in Finance and Lending, qualification: Economist.

From 2001 to present — Member of the Executive Committee of the Board of Trustees of the State Academic Bolshoi Theater.

From 2002 to present — Member of the Board of Directors of CJSC Interfax China.

From 2003 to present — Member of the International Board of Trustees of the Koktebel Republican Environmental, Historical, and Cultural Conservation area known as “M.A. Voloshin’s Kimmeria”.

From 2004 to 2007 — Member of the Board and Senior Vice-President of OJSC VTB Bank.

From 2005 to present — Chairman of the Board of the Bolshoi Theater Fund and member of the Board of Trustees of the State Russian Museum Development Fund “Russian Museum Friends” and of the Moscow School of Economics at Lomonosov Moscow State University.

From 2006 to present — Vice-President of the All-



### ANTON CHERNY

Member of the Board of Directors since June 30, 2009

Russian Public Organization “Federation of Artistic Gymnastics” and member of the Coordination Council of the Nonprofit Partnership “CIS Financial and Banking Council”.

From 2007 to 2009 — Deputy to the President — Chairman of the Board of OJSC VTB Bank.

From 2007 to present — Chairman of the Community Board of the Federal Security Service of Russia, member of the Board of Trustees of the Early Music Renaissance Foundation, and member of the Supervisory Board of OJSC VTB Bank (Ukraine) and VTB Bank (France).

From 2008 to present — Member of the Executive Committee of the International Gymnastics Federation and member of the Board of the Charity Foundation for Reconstruction of the Voskresensky New Jerusalem Male Monastery.

From 2009 to present — First Deputy to the President — Chairman of the Board of OJSC VTB Bank, as well as Chairman of the Board of Directors of CJSC FC Dinamo-Moscow, member of the Inter-regional Banking Council attached to the Federation Council of the Federal Assembly of the Russian Federation, member of the Board of Directors of OJSC MRSK Holding and OJSC MMC Norilsk Nickel.

Born in 1972.  
Higher education.

From 2000 to 2005 — Vice-President of Merrill Lynch, UK.

From 2005 to 2008 — Member of the Management Board of Renaissance Capital.

From 2008 to 2009 — Member of the Board of Directors of LLC Prof-Media Management.

From 2008 to present — Member of the Board of Directors of CJSC Holding Company INTERROS and OJSC Open Investments.

From 2009 to present, Member of the Board of Directors of OJSC OGK-3 and OJSC MMC Norilsk Nickel.

# MANAGEMENT BOARD OF MMC NORILSK NICKEL

As of December 31, 2009, the members of the Management Board were: Vladimir Strzhalkovsky, Dmitry Kostoyev, Valery Matviyenko, Kirill Parinov,<sup>1</sup> Oleg Pivovarchuk, Viktor Sprogis, Viktor Tomenko,<sup>2</sup> and Evgeny Muravyov.

At the present moment, the Management Board consists of the following persons: Vladimir Strzhalkovsky, Oleg Pivovarchuk, Valery Matviyenko, Dmitry Kostoyev, Evgeny Muravyov, Vyacheslav Poltavtsev, Sergey Selyandin, Viktor Sprogis.

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<sup>1</sup> On April 5, 2010, the Board of Directors terminated the authority of K. Parinov.

<sup>2</sup> On January 27, 2010, the Board of Directors terminated the authority of V. Tomenko.



**VLADIMIR  
STRZHALKOVSKY**

General Director — Chairman of the Management Board since August 2008, member of the Board of Directors since December 2008

Born May 29, 1954 in Leningrad (St. Petersburg). In 1977, graduated from V.I. Lenin Leningrad Institute of Electric Engineering, majored in Applied Mathematics, and subsequently earned a PhD in Economics.

From 2000 to 2004 — Deputy Minister of Economic Development and Trade of the Russian Federation.

From 2004 to 2008 — Head of the Federal Tourism Agency.

From 2008 to present — General Director — Chairman of the Management Board and a member of the Board of Directors of OJSC MMC Norilsk Nickel.



**OLEG  
PIVOVARCHUK**

First Deputy General Director — Member of the Management Board since October 2008

Born on September 25, 1953.

In 1975, graduated from the Moscow Institute of Steel and Alloys with a specialization as Engineer and Metallurgist (ferrous metals); in 1992, graduated from the All-Russian Academy of Foreign Trade with a degree as Economist with knowledge of a foreign language (international economic relations).

From 2002 to 2006 — Deputy General Director for Commercial Issues of CJSC Management Company Dinamo.

In 2006, Deputy Director for Foreign Economic Activity of OJSC Avtovaz.

From 2007 to 2008 — Executive Director of CJSC Dinamo-Telecom.

From 2008 to present — First Deputy General Director and a member of the Management Board of OJSC MMC Norilsk Nickel.

From 2009 to present — Chairman of the Board of Directors of CJSC Taimyr Fuel Company and a member of the Board of Directors of OJSC Third Generation Company of Wholesale Electricity Market.



**VALERY  
MATVIYENKO**

First Deputy General Director — Member of the Management Board since December 26, 2008

Born on June 21, 1955.

In 1977, graduated from the Ordzhonikidze Siberian Metallurgical Institute with a degree as a metallurgist and engineer in ferrous metallurgy.

From 2003 to 2004 — Deputy General Director for Production of LLC RUSAL Management Company.

From 2004 to 2005 — Deputy General Director for Aluminum Business of LLC RUSAL Management Company.

In 2005, Deputy General Director for Engineering and Construction Business of LLC RUSAL Management Company.

From 2005 to 2008 — General Director of LLC Russian Engineering Company.

From 2007 to 2008 — Director for Engineering and Construction Business and a member of the Management Board of CJSC RUSAL Global Management B.V.

From 2008 to present — First Deputy General Director and a member of the Management Board of OJSC MMC Norilsk Nickel.



**DMITRY  
KOSTOYEV**

Deputy General Director — Member of the Management Board since February 2009

Born on May 4, 1973, in Moscow.

Graduated from the Financial Academy of the Government of the Russian Federation and studied at the Law Department of Lomonosov Moscow State University.

Completed advanced training and re-training for managers and specialists at the G.V. Plekhanov Russian Academy of Economics.

From 2003 to 2005 — Head of Department at CJSC Holding Company INTERROS.

From 2004 to 2008 — Member of the Board of Directors of CJSC Agro-Industrial Complex Agros and OJSC Open Investments.

From 2005 to 2006 — Member of the Board of Directors of OJSC Verkhnechonskneftegaz and CJSC Prof-Media Publishing.

From 2005 to 2007 — Deputy Director of the Financial Department at CJSC Holding Company INTERROS.

From 2005 to 2008 — Member of the Board of Directors of LLC Prof-Media Management.

From 2005 to 2009 — Member of the Board of Directors of OJSC RUSIA Petroleum.

From 2006 to 2008 — Member of the Board of Directors of LLC Insurance Company Soglasie.



**EVGENY  
MURAVYOV**

Member of the Management Board since May 2009, Director of the Polar Division since January 2010

Born on August 8, 1961.

In 1984, graduated from Tyumen Industrial Institute with a qualification of engineer-chemist-technologist; in 1991, graduated from Kuban State University with a qualification of economist; Ph.D in Economics.

From 2003 to 2009 — Vice-Governor of the Krasnodar Territory for education, culture, health care, social protection, health resorts, and tourism; Vice-Governor of the Krasnodar Territory for economic development; First Vice-Governor of the Krasnodar Territory.

From 2009 to January 2010 — General Director of OJSC Kola MMC and since 2009, member of the Board of Directors of OJSC Kola MMC and a member of the Management Board of OJSC MMC Norilsk Nickel.

Since January 2010, Director of the Polar Division of OJSC MMC Norilsk Nickel.

From 2007 to 2008 — Managing Director for Investments and a member of the Board of Directors of CJSC Holding Company INTERROS.

In 2008, Member of the Management Board of CJSC Holding Company INTERROS.

From 2008 to 2009 — Director of the Investment Policy Department of OJSC MMC Norilsk Nickel.

In 2009, Deputy General Director — Head of the Block of Economics and Investment Policy at OJSC MMC Norilsk Nickel and Chairman of the Board of Directors of OJSC Yenisei Inland Navigation Company.

From 2009 to present — Deputy General Director — Head of the Block of Economics and Finance and a member of the Management Board of OJSC MMC Norilsk Nickel.

From 2009 to present — Member of the Board of Directors, Chairman of the Audit Committee, and a member of the Budget Committee of OJSC Third Generation Company of Wholesale Electricity Market.

From 2009 to present — Deputy Chairman of the Board of Directors of OJSC Yenisei Inland Navigation Company and a member of the Investment Committee at the Board of Directors of OJSC RusHydro.



#### **VYACHESLAV POLTAVTSEV**

Deputy General Director — Member of the Management Board since April 2010

Born on April 23, 1950, in the rural community of Kamenny Brod, Kirovograd Region. Graduated from the Kalinin Leningrad Polytechnical Institute.

Held executive positions at the Administrative Department of the President of the Russian Federation, served as Adviser to the Minister of Information Technologies and Communication of the Russian Federation, Deputy Director for Communications of OJSC Siberian Coal and Energy Company, Director of the Department for Liaison with Federal Authorities and for Labor Compensation of OJSC MMC Norilsk Nickel

#### **SERGEY SELYANDIN**

Member of the Management Board since April 2010, General Director of OJSC Kola MMC since January 2010

Born on July 19, 1955.

In 1978, graduated from Irkutsk Polytechnical Institute with a major in metallurgical production automation and moved to Norilsk to start his working career at the Nadezhda Metallurgical Plant rising from electrical fitter to deputy director for rehabilitation. In 2003, was appointed as Director of the Nadezhda Metallurgical Plant and worked in that capacity for more than six years.

In July 2009, was appointed as Deputy Director — Engineering Manager of the Polar Division of OJSC MMC Norilsk Nickel.

#### **VIKTOR SPROGIS**

Deputy General Director since 2001, Member of the Management Board since 2005

Born in 1961.

In 1984, graduated with honors from Bauman Moscow State Technical University with a degree in Automated Management Systems.

From 2001 to 2005 — Deputy General Director for Sales and Deputy General Director — Head of Industry Sales Complex of OJSC MMC Norilsk Nickel.

Since 2005, Deputy General Director — Head of Industry Sales Complex and a member of the Management Board of OJSC MMC Norilsk Nickel.

## Ownership of MMC Norilsk Nickel Shares by Members of MMC Norilsk Nickel Management Bodies

Name/Position	Number of Shares <sup>1</sup> , pcs.	% of Authorized Capital <sup>1</sup> , %
Viktor Tomenko	261	0,00014
Total for Members of the Board of Directors and Management Board	261	0,00014

Note:

<sup>1</sup> As of December 31, 2009.

### CORPORATE GOVERNANCE IMPROVEMENT

Improving corporate governance has traditionally been a priority area for MMC Norilsk Nickel. The Company management analyzes Russian and international best practice in corporate governance and applies a policy of continuously improving the corporate governance system and bringing it in accordance with the best international standards.

Since 2002, the Company has followed recommendations of the Code of Corporate Governance of the Russian Federal Commission for the Securities Market and Federal Financial Markets Service (FCSM/FFMS). In accordance with the recommendations of the FCSM/FFMS, the Company continues to prepare a report on the compliance with the Code which is attached as Appendix 1 to this Annual Report.

On June 30, 2009, the Annual General Meeting of Shareholders passed a resolution approving changes to the Company's Charter, which allow the Company to be run more efficiently, ensure decision-making transparency, and impose more stringent eligibility criteria for independent directors.

### COMPANY MANAGEMENT BODIES

#### General Meeting of Shareholders

According to the Federal Law On Joint-Stock Companies and the Charter of MMC Norilsk Nickel, the Company's supreme management body is the General Meeting of Shareholders.

The Annual General Meeting of Shareholders shall be held once a year, not earlier than two months and not later than six months after the end of the financial year. General Meetings, other than Annual General Meetings of Shareholders, are Extraordinary General Meetings of Shareholders and shall be held at a decision of the Board of Directors based on their own initiative, at a request of the Audit Commission, the Company's auditor, or shareholder(s) owning at least 10% of the Company's voting shares at the date of the request.

The procedure of Meetings of Shareholders is determined by the Company's Regulations on the General Meeting of Shareholders.

Notice of a General Meeting of Shareholders shall be published in Rossiyskaya Gazeta newspaper and in the Taimyr newspaper not later than 30 days prior to the date of the General Meeting. If a General Meeting is held by vote in absentia, notice of the Meeting shall be given in the above publications at least 30 days prior to the deadline for the collection of ballots.

A General Meeting shall be considered properly constituted (to have a quorum) if the shareholders who are present in aggregate hold more than 50% of the votes conferred by the outstanding voting shares of the Company.

Shareholders owning at least 2% of the Company's voting shares may add issues to the agenda of the Annual and Extraordinary General Meetings and nominate candidates to the Company's Board of Directors and Audit Commission subject to the restrictions and within the time limits established by the Federal Law.

A Meeting of Shareholders is authorized to make decisions among others on the following matters:

- reorganization and liquidation of the Company;
- election of members of the Board of Directors, Audit and Counting Commissions, and early termination of their authority;
- share split and consolidation, determining the number, par value, category (type) of authorized shares and rights conferred by those shares;
- increase (decrease) of the Company's authorized capital;
- approval of the selection of the independent auditor of the Company;
- making changes and amendments to the Company's Charter and approval of internal documents regulating the activities of the Company bodies;
- approval of annual reports, annual financial statements, including statements of profit and loss of the Company and distribution of profit, including payment (declaration) of dividends;
- making decisions on approval of major transactions and non-arm's length transactions in cases where this is provided for by Federal Law; and

- making decisions on participation in financial and industrial groups and associations and other associations of business entities and other matters provided for by relevant laws and the Company's Charter.

### Board of Directors

The Board of Directors is the management body responsible for the general management of the Company's operations, with the exception of issues which fall within the competence of the General Meeting of Shareholders as provided by Federal Law and the Company's Charter.

Meetings of the Board of Directors (in person or in absentia) shall be held as necessary, but at least once every six weeks. Meetings shall be convened by the Chairman of the Board of Directors at his own initiative, at the request of a member of the Board of Directors, Audit Commission, auditor, Management Board, General Director, or shareholders holding at least 10% of the Company's ordinary shares. Such a request shall be made in writing and contain a description of the reasons for convening the Meeting.

The procedure for convening and holding the meetings of the Board of Directors is determined by the internal document of the Company, Regulations on the Board of Directors.

Members of the Board of Directors shall be elected by the Annual or Extraordinary General Meeting of Shareholders according to the procedure provided for by Federal Law for the period until the next Annual Meeting. The Board consists of 13 directors.

A Meeting of the Board of Directors shall qualify (have a quorum) if at least one half of the elected members of the Board are present. Decisions shall be made by the Board of Directors by a majority vote of the members of the Board of Directors who participate in the meeting.

The Board of Directors is authorized to make decisions, among others, on the following matters:

- proposals to submit for consideration of the shareholders matters of the Company's reorganization or liquidation as well as of increasing (decreasing) the authorized capital of the Company;
- determination of the priorities in the operations of the Company and development concepts and strategies of the Company, implementation of those strategies, approval of plans and budgets of the Company, and approval of any changes to the plans and budgets of the Company;
- recommendations on the dividends paid per share and on the payment procedure, as well as approval of the dividend policy of the Company; and
- Company's participation in other entities and transactions with the shares in the authorized/share capital or equities owned by the Company, which may result in disposal or pledge of such shares or equities, as well as any other decisions which may result in a change of the size of the Company's participation in other companies and other matters provided for by the effective laws and the Company's Charter.

In accordance with global corporate governance practices and the recommendations of the FCSM/FFMS Code of Corporate Governance, independent directors have been elected to the Board of Directors of OJSC MMC Norilsk Nickel since 2002. The Group uses the most conservative criteria to determine the independence of the members of its Board of Directors. In the reporting year, until the election of the new Board of Directors at the Annual General Meeting of Shareholders on June 30, 2009, 4 independent directors had sat on the Board:

- Alexander Voloshin;
- John Gerard Holden;
- Bradford Allan Mills; and
- Ardavan Moshiri.

Following the election of the new Board of Directors of the Company at the Annual General Meeting on June 30, 2009, 4 independent directors sat on the Board:

- Alexander Voloshin;
- Vasiliy Titov;
- Bradford Allan Mills; and
- Ardavan Moshiri.

In 2009, 39 meetings of the Board of Directors were held:

- 9 meetings held in person; and
- 30 meetings held in absentia.

The Board of Directors had 5 meetings in person and 11 meetings in absentia before the Annual General Meeting of Shareholders on June 30, 2009.

## Attendance at Board of Directors Meetings Held in 2009

Director	Number of meetings attended in person	Number of meetings attended in absentia
A. Bougrov <sup>1</sup>	9	30
A. Klishas <sup>1</sup>	9	29
A. Bulygin <sup>2</sup>	0	0
A. Voloshin <sup>1</sup>	8	30
A. Moshiri <sup>1</sup>	9	26
G. Holden <sup>2</sup>	5	11
B. Mills <sup>1</sup>	8	30
V. Soloviev <sup>1</sup>	9	30
D. Afanasyev <sup>2</sup>	4	11
M. Sokov <sup>1</sup>	9	30
V. Strzhalkovsky <sup>1</sup>	8	29
A. Polevoy <sup>2</sup>	5	11
S. Batekhin <sup>2</sup>	4	11
G. Aliev <sup>1</sup>	4	19
M. Goldman <sup>1</sup>	4	19
V. Titov <sup>1</sup>	3	19
D. Razumov <sup>1</sup>	4	19
A. Cherny <sup>1</sup>	3	11

Notes:

<sup>1</sup> On the Board of Directors elected at the Annual General Meeting of Shareholders on June 30, 2009.

<sup>2</sup> Not on the Board of Directors elected at the Annual General Meeting of Shareholders on June 30, 2009.

During 2009, the Board of Directors of MMC Norilsk Nickel reviewed various aspects of the Company's business within its competence, including:

- acquisition and sale of assets;
- related-party transactions (with a list of completed transactions published in Appendix 2 of this Annual Report);
- approval of the Company's financial reports;
- convening General Meetings of Shareholders of the Company; and
- other matters.

In the beginning of 2009, the Board of Directors established 4 committees:

- Audit Committee;
- Strategy Committee;
- Budget Committee; and
- Corporate Governance, Nomination, and Remuneration Committee.

#### Audit Committee

The Audit Committee consists of four directors and assists the Board of Directors in conjunction with external auditors in reviewing financial reporting and evaluating the system for internal control. In early February 2009, the Board of Directors of the Company passed a resolution to set up an Audit Committee consisting of four members of the Board of Directors: John Holden (independent director) as Committee Chairman, Andrey Bougrov, Maksim Sokov, and Ardavan Moshiri (independent director).

Following the election of a new Board of Directors at the Annual General Meeting of Shareholders on June 30, 2009, the Board of Directors, on the motion of Vasily Titov, independent director and Chairman of the Audit Committee, approved in September 2009 the following members of the Audit Committee: Andrey Bougrov, Maksim Sokov, and Ardavan Moshiri (independent director).

### Strategy Committee

The current Strategy Committee is composed of three directors. The members of the Committee cannot be members of the Board of Directors of the Company, who also occupy a position in the Company. The Strategy Committee was created for the purpose of assisting the Board of Directors with preliminary reviewing of strategy goals, developing priority areas for business, evaluating long-term efficiency, and developing recommendations for the Board of Directors. The purpose is to adjust the existing strategic development of the Company based on the necessity of increasing the efficiency of the Company's business by taking into account the trends in the commodity and capital markets and the performance of the Company and its competitors. In early February 2009, the Board of Directors of the Company passed a resolution to set up a Strategy Committee consisting of four members of the Board of Directors: Sergey Batekhin as Committee Chairman, Bradford Mills (independent director), Ardavan Moshiri (independent director), and Vladislav Soloviev. Following the election of a new Board of Directors at the Annual General Meeting of Shareholders on June 30, 2009, the Board of Directors, on the motion of Bradford Mills, independent director and Chairman of the Strategy Committee, approved in September 2009 the following members of the Strategy Committee: Vladislav Soloviev and Anton Cherny. On February 2, 2010, the Board of Directors, as per item 9.3.38 of the Company's Charter, passed a resolution to elect a new Strategy Committee consisting of Bradford Mills as Committee Chairman, Vladislav Soloviev, and Andrey Klishas (Minutes No. ГМК/3-пр-сд).

### Budget Committee

The current Budget Committee is composed of three members of the Board of Directors. The Budget Committee was created for the purpose of assisting the Board of Directors through the preliminary review of matters and development of recommendations to define policies related to finance, budgeting, and business planning. In early February 2009, the Board of Directors of the Company passed a resolution to set up a Strategy Committee consisting of three members of the Board of Directors: Vladislav Soloviev as Committee Chairman, Alexander Polevoy, and Ardavan Moshiri. Following the election of a new Board of Directors at the Annual General Meeting of Shareholders on June 30, 2009, the Board of Directors, on the motion of Vladislav Soloviev, Chairman of the Budget Committee, approved in September 2009 the following members of the Budget Committee: Bradford Mills (independent director) and Anton Cherny.

### Corporate Governance, Nomination, and Remuneration Committee

The current Committee for Corporate Governance, Nomination, and Remuneration is composed of five members of the Board of Directors.

In February 2009, the Board of Directors of the Company passed a resolution to set up a Corporate Governance, Nomination, and Remuneration Committee consisting of three members of the Board of Directors: Andrey Klishas as Committee Chairman, Maksim Sokov, and John Holden (independent director). In addition, a decision was taken to transfer to the Corporate Governance, Nomination, and Remuneration Committee the functions of the Corporate Governance Committee. It had been established for the purpose of assisting the Board of Directors with the preliminary review of matters related to corporate governance within the Company and other matters within the scope of competence of the Board of Directors, which influence the corporate interests of the Company and the rights of its shareholders, including transactions with the shares of the Company, as well as preparation of recommendations for the Board of Directors for making decisions on such matters. Following the election of a new Board of Directors of the Company at the Annual General Meeting of Shareholders on June 30, 2009, the Board of Directors, on the motion of Andrey Klishas, Chairman of the Corporate Governance, Nomination, and Remuneration Committee, approved in September 2009 the following members of the Corporate Governance, Nomination, and Remuneration Committee: Bradford Mills (independent director), Maksim Sokov, Andrey Bougrov, and Maksim Goldman.

### Executive Bodies

The General Director (sole executive body) and the Management Board (collective executive body) are responsible for the Company's day-to-day activities.

The rights and responsibilities of the General Director and members of the Management Board with regard to the day-to-day activities of the Company are determined by Federal Law, other regulations of the Russian Federation, the Company's Charter, internal documents of the Company, and contracts defining their rights and responsibilities as concluded by the Company with each of them.

The General Director and members of the Management Board are elected for an indefinite period. The Board of Directors is authorized to terminate the authority of and cancel the contract with the General Director or any member of the Management Board.

The General Director shall act as the Chairman of the Management Board and act on behalf of the Company without any power of attorney issued to him, including the following functions: representing the Company's interests, entering into transactions in the name of the Company, approving staff schedules, issuing orders and instructions that are binding on all employees of the Company, approving internal documents of the Company regulating production, technology, financial, accounting, business, human resources, social, health, safety, and document control

issues, and also making decisions on any other matters of day-to-day operations of the Company, which are not included by the Company's Charter within the competence of the General Meeting of Shareholders, the Board of Directors, or the Management Board.

The Management Board runs the Company within its competence as defined by the Company's Charter, and ensures that all the decisions of the General Meetings of Shareholders and the Board of Directors are implemented.

The Management Board is authorized to make decisions, among others, on the following matters:

- preliminary consideration of materials prepared for the meetings of the Board of Directors regarding such issues as determination of priorities for the Company's operations, concepts and strategies for the Company's development and methods of their implementation, approval of the the Company's plans and budgets, as well as approval of any changes to the plans and budgets of the Company;
- preparation of proposals for amending the Company Charter;
- preparation of proposals for transactions that require approval by the General Meeting of Shareholders or the Board of Directors;
- analysis and assessment of the results of the Company's business operations; and

- development of proposals for the use of the Company's reserve fund and other matters provided for by the current laws and the Company's Charter.

In early 2009, the Management Board proceeded with the following 8 members: V. Strzhalkovsky, V. Matviyenko, O. Pivovarchuk, O. Lobanov, K. Parinov, E. Potapov, V. Sprogis, and V. Tomenko. On February 3, 2009, the Board of Directors passed a resolution to terminate the authority of O. Lobanov (Minutes No. ГМК/1-пр-сд). On February 26, 2009, the Board of Directors passed a resolution to elect D. Kostoyev as a member of the Management Board (Minutes No. ГМК/4-пр-сд). On May 21, 2009, the Board of Directors passed a resolution to elect E. Muravyov as a member of the Management Board (Minutes No. ГМК/11-пр-сд). The Board of Directors terminated the authority of the following members of the Management Board: E. Potapov, by decision made on November 6, 2009 (Minutes No. ГМК/29-пр-сд); V. Tomenko, by decision made on October 27, 2010 (Minutes No. ГМК/2-пр-сд); and K. Parinov, by decision made on April 5, 2010 (Minutes No. ГМК/12-пр-сд). Also, by decision of the Board of Directors made on April 5, 2010 (Minutes No. ГМК/12-пр-сд), the following persons were elected as members of the Management Board: V. Poltavtsev and S. Selyandin.

#### Attendance at Management Board Meetings Held in 2009

	Number of meetings attended in person	Number of meetings attended in absentia
O. Lobanov <sup>1</sup>	0	1
V. Sprogis	7	44
V. Tomenko <sup>4</sup>	7	44
V. Strzhalkovsky	8	44
K. Parinov <sup>6</sup>	8	41
E. Potapov <sup>3</sup>	5	35
O. Pivovarchuk	7	44
V. Matviyenko	6	44
D. Kostoyev <sup>2</sup>	8	39
E. Muravyov <sup>5</sup>	7	29

Notes:

<sup>1</sup> Withdrawn from the Management Board on February 3, 2009.

<sup>2</sup> Elected to the Management Board on February 26, 2009.

<sup>3</sup> Withdrawn from the Management Board on November 6, 2009.

<sup>4</sup> Withdrawn from the Management Board on January 27, 2010.

<sup>5</sup> Elected to the Management Board on May 21, 2009.

<sup>6</sup> Withdrawn from the Management Board on April 5, 2010.

In 2009, 52 meetings of the Company's Management Board were held:

- 8 meetings in person; and
- 44 meetings in absentia.

### **LONG-TERM REMUNERATION PROGRAM FOR SENIOR MANAGEMENT**

The Company maintains a long-term (7 years) remuneration program for senior management intended to align the interests of the shareholders and the management in increasing the market capitalization of MMC Norilsk Nickel over the long term.

### **DIVIDEND POLICY**

According to MMC Norilsk Nickel's dividend policy, which was approved by the Board of Directors in 2002, the Company endeavors to distribute as dividends between 20% and 25% of its net profit for the year calculated according to IFRS. Information on dividends based on the results of the Company's operations in 2009 is presented in the Authorized Capital and Stock Markets Chapter of this Annual Report.

### **EXTERNAL AUDIT**

Following the recommendation by the Audit Committee, the Board of Directors, in a meeting held in December 2009, recommended the conclusion of an auditing contract with ZAO KPMG.

As a result, the management of MMC Norilsk Nickel engaged ZAO KPMG to perform the audit of the financial statements drawn up in accordance with the international financial reporting standards as of De-

ember 31, 2009, and for the 12-month period ended December 31, 2009.

LLC Rosekspertiza audited the Company's reporting for the year 2009 drawn up in accordance with the Russian accounting standards.

### **INTERNAL AUDIT**

To meet the listing requirements of Russian stock exchanges (RTS and MICEX), which are based on the requirements of the FSFM Regulation on the Activities Relating to the Organization of Trade in the Securities Market, the Company has a division ensuring compliance with internal control procedures, the Internal Control Department.

### **RISK MANAGEMENT**

Risk management is carried out in accordance with the Corporate Risks Management Program of MMC Norilsk Nickel approved by the Board of Directors in December 2005. The said document regulates risk management procedures which include the following elements:

- risk classification and definitions;
- methodological approaches to risk identification and assessment;
- acceptable levels of risk (tolerance levels);
- risk control methods;
- distribution of responsibility in risk management; and
- control and reporting.

The Board of Directors regularly reviews the Company's risk register and approves an Action Plan to mitigate critical risks. For more details, refer to the Risk Management System chapter.