

**REPORT OF THE BOARD OF DIRECTORS
OF MMC NORILSK NICKEL**
**containing the Board's opinion regarding the issues included in the agenda of the
Extraordinary General Meeting of shareholders of the Company to be held
on October 12, 2007**

1. Early termination of the powers of the Board of Directors of MMC Norilsk Nickel.

Recommendation:

The Board of Directors abstains from providing recommendations on this issue.

Opinion of the Board of Directors:

The Board of Directors of MMC Norilsk Nickel received a request from Coverico Holdings Co. Limited, a shareholder of MMC Norilsk Nickel who owns more than 10% of outstanding voting shares of the Company, with regards to convocation of the Extraordinary General Meeting of shareholders of MMC Norilsk Nickel and including the following items in the agenda of the Meeting:

1. Early termination of the powers of the Board of Directors of MMC Norilsk Nickel.

2. Elections to the Board of Directors of MMC Norilsk Nickel.

In accordance with the provisions of Federal Law *On Joint Stock Companies* (Art. 55) the Board of Directors reviewed this request and resolved (Protocol No.ГМК/28-пр-сд dated August 9, 2007) to convene the Extraordinary General Meeting of shareholders on October 12, 2007. shareholders of the Company provided proposals as to nominees to the Board of Directors, whose names are listed in the voting ballot. In order to provide for electing the new Board of Directors the powers of the current Board of Directors of MMC Norilsk Nickel have to be terminated. However, whereas all members of current Board of Directors are involved in the conflict of interests in reviewing this issue, in accordance with corporate ethics the Board of Directors deems it necessary to abstain from providing recommendations to shareholders with regards to voting on this item.

2. Election to the Board of Directors of MMC Norilsk Nickel.

Recommendation:

The Board of Directors abstains from providing recommendations on this issue.

Opinion of the Board of Directors:

The number of seats on the Board of Directors is 9. The total number of people nominated to the Board of Directors by shareholders of the Company is 15.

Mr. Guy de Selliers, Mr. Dolgikh V.I., Mr. Ugolnikov K.L. and Mr. Heinz Schimmelbusch are independent nominees. Mr. Morozov D.S. and Mr. Morgan R.T. are representatives of the Company's management. Mr. Klishas A.A., Mr. Bougrov A.E., Ms. Salnikova E.M., and Mr. Parinov K.Yu. are representatives of Interros Holding Company. Mr. Prokhorov M.D., Ms. Bulavskaya E.E., Mr Razumov D.V., Mr. Sosnovski M.A., and Mr. Stefanovich S.A. represent ONEXIM Group.

All nominees to the Board of Directors are known to be professionals capable of contributing their business experience and knowledge in such areas as finance, production and strategy to improving the performance of the Board of Directors. However, whereas current members of MMC Norilsk Nickel's Board of Directors are parties to a conflict of interests, in conformity with corporate ethics the Board of Directors deems it necessary to abstain from giving advice to shareholders as regards voting on this item. The Board of Directors recommends that shareholders should rely on their own judgment while voting on the issue.

3. Early termination of the powers of the Revision Commission of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends terminating the powers of the Revision Commission of MMC Norilsk Nickel ahead of schedule.

Opinion of the Board of Directors:

In accordance with p. 12.2. of the Charter of MMC Norilsk Nickel the number of Revision Commission members is 5. Whereas one of the members of MMC Norilsk Nickel's Revision Commission resigned from the post, the number of Revision Commission members should be brought into compliance with the provisions of the Charter. In order to provide for elections of the new Revision Commission, the powers of the current Revision Commission elected at the Annual General Meeting of shareholders of MMC Norilsk Nickel on June 28, 2007 should be terminated.

4. Election to the Revision Commission of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends electing the listed in the voting ballot nominees to the Revision Commission.

Opinion of the Board of Directors:

In accordance with p. 12.2. of the Charter of MMC Norilsk Nickel the number of Revision Commission members is 5. Whereas one of the members of MMC Norilsk Nickel's Revision Commission resigned from the post, the number of Revision Commission members should be brought into compliance with the provisions of the Charter.

All nominees to the Revision Commission are known as professionals capable of contributing their business experience and knowledge in such areas as accounting, finance and monitoring of financial and economic operations to improving performance of the Revision Commission.

5. Approval of Regulations on the General shareholder's Meeting of OJSC MMC Norilsk Nickel.

Recommendation:

The Board of Directors recommends approving the Regulations on the General Meeting of shareholders of OJSC MMC Norilsk Nickel.

Opinion of the Board of Directors:

Whereas the Annual General Meeting of shareholders of OJSC MMC Norilsk Nickel on June 28, 2007 approved the revised version of the Company's Charter, certain sections of the Regulations on General Meeting of shareholders of OJSC MMC Norilsk Nickel have to be adjusted to ensure their conformity with the revised Charter.

The revised version of the Regulations on General Meeting of shareholders was amended to ensure conformity with amendments and supplements, applied in 2006, to the Federal Law dated December 26, 1995 No. 208-Φ3 *On Joint Stock Companies* and introduces a number of changes aimed at improving corporate governance in the Company.

The Annual General shareholder's Meeting of MMC Norilsk Nickel approved the preceding version of the Regulations on General Meeting of shareholders on June 30, 2002. The revised version of the Regulations on General Meeting of shareholders conforms to all of the amendments and supplements to the Regulations on General Meeting of shareholders introduced since 2002 into a single document.

6. Participation of MMC Norilsk Nickel in the non-profit Russian Association of Employers *National Alliance of Nickel and Precious Metals Producers*.

Recommendation:

The Board of Directors recommends adopting the resolution on MMC Norilsk Nickel's participation in a non-profit Russian Association of Employers *National Alliance of Nickel and Precious Metals Producers*.

Opinion of the Board of Directors:

In compliance with the Federal Law *On Employers' Associations* No. 156-Φ3 of November 27, 2002 the right to represent employers' consolidated interests on the federal level is granted to Employers' Associations functioning as non-profit organizations.

In order to represent the interests of employers of Norilsk Nickel Group more efficiently, it is proposed to establish a Russian Association of Employers *National Alliance of Nickel and Precious Metals Producers* in the form of a non-profit organization.