

EXPLANATORY NOTE

Re:

Amendments to the Charter of OJSC MMC Norilsk Nickel.

The Charter of OJSC MMC Norilsk Nickel approved by the Annual General Meeting of Shareholders of OJSC MMC Norilsk Nickel (Protocol dated June 28, 2007) (hereinafter - "the Charter") meets the requirements set forth in Russian legislation in force and reflects high corporate governance standards.

At the same time, in a number of instances international corporate governance standards as well as corporate philosophies of Russia's leading companies provide opportunities to include in corporate charters the provisions that help improve corporate governance in the company, ensure transparency in decision-making and set exclusive standards for independent directors.

Taking the above into account, it is proposed to review the following key amendments to the Charter:

1. A provision, under which the General Director, members of the Management Board and at least one member of the Board of Directors must attend General Meetings of Shareholders. In addition to persons mentioned above, Chairman of the Board of Directors, at least one member of the Revision Commission and the Company's external auditor must also attend the Meeting. This provision is proposed to be included in the Charter in order to formalize existing practices and meet the recommendations of the Corporate Governance Code approved by the Order of FCSM dated April 4, 2002 No. 421/p.
2. The extension of Board membership from 9 to 13 Directors will help increase the number of independent directors, which will in turn ensure efficient and independent operation of the Board's committees. If this amendment is adopted, the new number of members will be elected to the Board after the relevant amendments to the Charter are registered with state authorities.
3. Notice to the Board of Directors on conflict of interests and implementation of a special procedure for approving in such circumstances transactions, to which a Board member is an interested party, is aimed at establishing a formal procedure to resolve conflicts between the interests of a member of the Board and the interests of the Company.
4. It is proposed to establish that agenda of the meeting of the Company's Board of Directors may be amended during such meeting provided that all members of the Board of Directors have been notified in writing of such amendment of the agenda at least one day prior to the meeting or to the absentee voting, or by the absentee voting by unanimous resolution of all elected members of the Board of Directors. Also, in order to avoid vague wording of agenda items it is proposed to resolve that the agenda shall contain full list of specific issues brought for discussion of the Board of Directors and that any wording that will not allow defining the subject of issue brought for discussion of the Board of Directors shall not be admitted to be included into the agenda.
5. It is proposed to change the qualifications of independent directors to raise the level of their independence and to protect the interests of the company in situations where the circumstances that provide for independence of such director change. These qualifications are based on international corporate governance practices (inter alia, based on practices implemented by the Institutional Shareholder Services).
6. It is proposed to provide for mandatory board committees to be set up in accordance with international corporate governance practices. Setting up committees will serve the purpose of enhancing efficiency of the company as a whole and of the Board of Directors in particular.
7. It is proposed to resolve that the Board of Directors shall have the authority to review quarterly performance reports of the company upon presentation by the Management Board.

This provision is based on recommendations of the Corporate Governance Code.

8. Introducing the obligation of shareholders to comply with requirements as to the treatment of the company's confidential information, legislation regulating handling of personal data or other applicable laws upon receiving access to the company's documents is aimed at preventing the disclosure of such information and to provide better guarantees of protection of the company's interests.
9. The provision that will regulate material corporate actions and corporate conflicts is based on international corporate practices is aimed at improving prevention and peaceful resolution of corporate conflicts.