

APPROVED
by the Board of Directors
of OJSC MMC Norilsk Nickel
on 20 January, 2015 No.GMK/1-pr-sd

**Performance Evaluation Policy for Board of Directors of OJSC MMC
Norilsk Nickel**

1. General Provisions

1.1. This performance evaluation Policy for Board of Directors of OJSC MMC Norilsk Nickel (hereinafter - "**Company**") (hereinafter - "**Policy**") outlines the main principles and the process of an evaluation of the performance of the Board of Directors at OJSC MMC Norilsk Nickel (hereinafter - "**Evaluation**").

1.2. The Policy has been developed in accordance with the Company's internal documents, provisions of the Corporate Governance Code recommended for application in a letter of the Bank of Russia dated April 10, 2014, № 06-52/2463, as well as based on best Russian and international corporate governance practices.

1.3. The Policy applies to all members of the Board of Directors.

2. Purpose and Goals

2.1. The purpose of this Policy is to improve the effectiveness of the performance of the Board of Directors via introduction of a structured and transparent Evaluation mechanism.

2.2. The goals of the Policy are as follows:

2.2.1. Establish methods and means of Evaluation;

2.2.2. Introduce appropriate Evaluation mechanism;

2.2.3. Ensure timely and high-quality Evaluation;

2.2.4. Ensure disclosure of information about Evaluation and its results; and

2.2.5. Formulate recommendations on the improvement of the effectiveness of the performance of the Board of Directors.

3. Timing and Process of Evaluation

3.1. The Evaluation is based on the performance in a given fiscal year and is conducted within 90 days following the end of the fiscal year.

3.2. Decision to conduct the Evaluation and which categories and criteria to use in the Evaluation is made by the Board of Directors upon a recommendation of the Corporate Governance, Nomination and Remuneration Committee. The Board of Directors determines the timing and types of Evaluation, the necessity to engage independent professional consultants, as well as other matters related to the Evaluation process.

3.3. Chair of the Corporate Governance, Nomination and Remuneration Committee, with the support of the Corporate Secretary and Chair of the Board of Directors, oversees the Evaluation process.

3.4. Chair of the Audit Committee coordinates the evaluation of the performance of the Corporate Governance, Nomination and Remuneration Committee.

4. Types of Evaluation

4.1. Individual types of Evaluation are conducted as follows:

4.1.1. Internal Evaluation – annually, by conducting surveys among members of the Board of Directors by the Company, with the possible assistance of independent professional consultants;

4.1.2. External Evaluation – upon a recommendation of the Corporate Governance, Nomination and Remuneration Committee and a resolution of the Board of Directors, with the assistance of independent professional consultants.

5. Categories of Evaluation

5.1. Categories of Evaluation may include:

5.1.1. Evaluation of the performance of the Board of Directors as the Company's management body;

5.1.2. Evaluation of the performance of the Committees of the Board of Directors; and

5.1.3. Evaluation of the performance of the Chair of the Board of Directors.

6. Evaluation Criteria

6.1. The following criteria may be used when evaluating the performance of the Board of Directors as the Company's management body:

6.1.1. Correspondence of structure to performed functions;

6.1.2. Composition/Quality;

6.1.3. Internal dynamics;

6.1.4. Performance of the Corporate Secretary;

6.1.5. Execution of main functions;

6.1.6. Conduct of meetings; and

6.1.7. Performance improvement.

6.2. The following criteria may be used when evaluating the performance of the Committees of the Board of Directors:

6.2.1. Correspondence of structure to performed functions;

6.2.2. Composition/Quality;

6.2.3. Internal dynamics;

6.2.4. Execution of main functions;

6.2.5. Conduct of meetings; and

6.2.6. Performance improvement.

6.3. The following criteria may be used when evaluating the performance of the Chair of the Board of Directors:

6.3.1. Board leadership;

6.3.2. Board development;

6.3.3. Management of meetings of Board of Directors;

6.3.4. Relationship with Company Management;

6.3.5. Relationship with shareholders and investors;

6.3.6. Integrity and values;

- 6.3.7. Leadership skills;
- 6.3.8. Communication skills;
- 6.3.9. Chairmanship skills;
- 6.3.10. Directorship skills;
- 6.3.11. Professional skills.

7. Internal Evaluation

7.1. Preparation of Materials

7.1.1. The Corporate Secretary, having received an authorization from the Corporate Governance, Nomination and Remuneration Committee, prepares an Evaluation schedule and all necessary materials, including statistical information (number of meetings, attendance rate in meetings, number of issues submitted for consideration at meetings, etc.) and an individual set of questionnaires for each member of the Board of Directors.

7.1.2. In accordance with a resolution of the Board of Directors, the Corporate Secretary officially informs all members of the Board of Directors about an upcoming Evaluation, including its timing and schedule, and sends all necessary materials to each member of the Board of Directors.

7.2. Collection of Information

7.2.1. Each member of the Board of Directors must fill out his/her questionnaires within 10 (ten) business days following the receipt from the Corporate Secretary of an announcement about the launch of the Evaluation and all corresponding materials.

7.2.2. The Corporate Secretary controls the process of gathering information, simultaneously reminding members of the Board of Directors about the necessity to participate in the Evaluation.

7.2.3. If any member of the Board of Directors cannot participate in the Evaluation for whatever reason, the Corporate Secretary informs thereof the Chair of the Corporate Governance, Nomination and Remuneration Committee, who, following consultations with this member of the Board of Directors, amends the Evaluation schedule, if necessary.

7.3. Analysis of Information

7.3.1. Upon completion of the information gathering process, the Corporate Secretary presents collected information to the Chair of the Corporate Governance, Nomination and Remuneration Committee for analysis by members of this Committee.

7.3.2. In order to increase the quality of analysis and ensure confidentiality of information at this stage of the Evaluation process it is possible to engage professional independent consultants.

7.4. Significant Deviations

7.4.1. In order to ensure that the Evaluation is objective, the Chair of the Corporate Governance, Nomination and Remuneration Committee may conduct personal meetings with the members of the Board of Directors whose Evaluation results significantly deviate from Evaluation results of other members of the Board of Directors. The purpose of such meetings is to determine the reasons for significant deviations in Evaluation results (data entry errors, strong subjective perception of individual questions, etc.).

7.4.2. Depending on the results of the deviation analysis, additional information may be included in the Evaluation report. Any corrections made should be recorded and reflected in the Evaluation report.

7.5. Evaluation Report

7.5.1. Following initial discussions with the Corporate Governance, Nomination and Remuneration Committee, the Corporate Secretary prepares a report on the Evaluation for a given fiscal year.

7.5.2. The report should address the following:

7.5.2.1. Evaluation process;

7.5.2.2. Correspondence of the structure of the Board of Directors to its functions;

7.5.2.3. Evaluation of the performance of the Board of Directors as a whole;

7.5.2.4. Evaluation of the performance of each of the Committees of the Board of Directors;

7.5.2.5. Evaluation of the performance of the Chair of the Board of Directors.

7.5.3. The report should include recommendations on:

7.5.3.1. Improvement of the effectiveness of performance of the Board of Directors and its Committees;

7.5.3.2. Increase in the level of qualifications of individual members of the Board of Directors;

7.5.3.3. Reelection of members of the Board of Directors;

7.5.3.4. Professional knowledge and skills required of new members of the Board of Directors;

7.5.3.5. Number of independent members (as defined in the Company Charter) of the Board of Directors;

7.5.3.6. Diversity requirements, including gender, age, etc.; and

7.5.3.7. Appointments to the Board of Directors.

7.5.4. Members of the Board of Directors have the right to receive, upon request, additional information about the conduct of the Evaluation and interpretation of its results.

7.5.5. Internal Evaluation report is approved by the Corporate Governance, Nomination and Remuneration Committee and brought to the notice of the Board of Directors.

8. External Evaluation

8.1. When preparing and conducting an external Evaluation, it is necessary to follow the categories and criteria used for the internal Evaluation.

8.2. Results of an external Evaluation should be disclosed in the format used for disclosure of the results of the internal Evaluation.

8.3. Results of the external Evaluation are subject to a prior discussion at a meeting of the Corporate Governance, Nomination and Remuneration Committee. Consultants assisting with the Evaluation and the Chair of the Board of Directors may be invited to participate in the meeting.

8.4. External Evaluation report is reviewed and approved at a meeting of the Board of Directors.

9. Disclosure of Information

9.1. Information about conducted Evaluation should be disclosed in the appropriate chapter of the Company's Annual report.

9.2. Disclosed information should include:

9.2.1. Statement on conduct of Evaluation;

9.2.2. Types, categories and criteria of Evaluation; and

9.2.3. Other relevant information regarding the Evaluation, including general Evaluation results which may be included in the scope of disclosed information at the discretion of the Corporate Governance, Nomination and Remuneration Committee.

9.3. Information about specific results for each Evaluation category may be classified as confidential and not subject to disclosure.

10. Final Provisions

10.1. The Corporate Governance, Nomination and Remuneration Committee conducts an annual review of this Policy, assesses its adequacy and completeness and makes any necessary changes, which are subject to approval by the Board of Directors.

10.2. This Policy is published on the Company Web site: <http://www.nornik.ru>.