

SPIN-OFF TERMS AND PROCEDURES

1. General provisions

- 1.1 The restructuring of MMC Norilsk Nickel (hereinafter referred to as “MMC Norilsk Nickel” or “the reorganizing company”) shall be carried out in the form of spin-off of the open joint stock company “EnergoPolyus” (hereinafter referred to as “the Spin-off Company” or “the new company”), the shares of which shall be distributed among shareholders of MMC Norilsk Nickel. Distribution of shares shall be performed in accordance with terms and procedures specified in p.6 below.
- 1.2 Resolution on the MMC Norilsk Nickel’s restructuring in the form of spin-off (including the following information: the new company’s name and location, procedure and terms of the spin-off, placement of the new company’s shares, list of the new company’s revision commission members, information on the person acting as a one-man executive body, information on the new company’s auditor, information on the approval of separation balance sheet, charter, regulations on the general shareholders’ meeting, on the board of directors, and on the revision commission, and the new company’s registrar’s details) shall be passed by the general meeting of shareholders of MMC Norilsk Nickel.
- 1.3 MMC Norilsk Nickel shall be considered reorganized as of the date of state registration of the Spin-off Company.

2. The shareholders of MMC Norilsk Nickel who vote against or don’t participate in the voting on the issue of the Company restructuring in the form of spin-off, shall have the right to request the redemption of their shares.

- 2.1 In accordance with the Federal law *On Joint- Stock Companies* (article 75, p.1), the shareholders of the Company, who vote against the resolution on the Company restructuring or don’t participate in the voting on this issue, have the right to require that the Company redeem all or a part of shares held by these shareholders, as provided for by the procedure established by the Board of Directors accordingly to the Russian legislation and described in the notice on holding an extraordinary general meeting of the Company’s shareholders. Information on shareholders’ requests to redeem their shares shall be summarized in the report, which should be certified by the Board of Directors of MMC Norilsk Nickel within 50 days after the date of the reorganization approval by the general meeting of MMC Norilsk Nickel shareholders.
- 2.2 The redemption price for these shares shall be RUB 5,300, as established by the Board of Directors of the Company in accordance with the Federal Law *On Joint- Stock Companies* (article 75, p. 3).

- 2.3 The shares bought back from the shareholders shall be held in the Company's custody. These shares shall be either sold at the price not less than their market value within a year after title transfer, or retired after one-year period expiry.

3. Rights of the creditors of MMC Norilsk Nickel

- 3.1 Within 30 days after the date of the resolution on restructuring in the form of spin-off, the Company shall notify its creditors to that effect by registered mail, and publish a notice on the Company's restructuring in print media designated for publishing the data on the state registration of legal entities.
- 3.2 Within 30 days after the date of publishing this information or within 30 days after the date of mailing the relevant notices to the Company's creditors, the creditors may exercise their right to request in writing either termination or ahead-of-schedule execution of the Company's obligations, and indemnification for their losses. The Company, on the basis of requests received from the creditors, shall make a list of settled and outstanding requests.

4. The Spin-off Company

- 4.1 The charter of the Spin-off Company (Annex 3 to the resolution on MMC Norilsk Nickel reorganization) shall essentially replicate the charter of MMC Norilsk Nickel. Activities of the General shareholders' Meeting, Board of Directors and Revision Commission of the Spin-off Company shall be governed by its charter and regulations on the General shareholders' Meeting, Board of Directors and Revision Commission as enclosed herewith and approved by the General shareholders' Meeting of MMC Norilsk Nickel as part of the resolution on the Company's restructuring (Annexes 4, 5, and 6 to the resolution on MMC Norilsk Nickel reorganization).
- 4.2 The Spin-off Company shall elect a Board of Directors, a sole executive body (General Director), and a Revision Commission. Members of the Board of Directors and Revision Commission, and the sole executive body (General Director) shall be elected (or approved) from the nominees proposed by the shareholders of MMC Norilsk Nickel and included in the list of candidates (or approved) by the Board of Directors of MMC Norilsk Nickel in accordance with the Federal Law *On Joint-Stock Companies* (article 53, p. 8).
- 4.3 The number of members on the Board of Directors and Revision Commission of the Spin-off Company shall be the same as on the Board of Directors and Revision Commission of MMC Norilsk Nickel at the date of the resolution on the Company restructuring, i.e. 9 (nine) and 5 (five) members, respectively.
- 4.4 The authorized capital of the Spin-off Company shall be comprised of the nominal value of its shares distributed among the shareholders of the Spin-off Company in accordance with the resolution of the MMC Norilsk Nickel's General Meeting on restructuring and provisions of p. 6 below. At the time of setting up the new company, all shares of the Spin-off Company shall be registered shares. Par value of one ordinary registered share of the Spin-off Company shall be RUB 1 (one).
- 4.5 Total amount of the authorized capital of the Spin-off Company shall be computed by multiplying the total number of shares in the Spin-off Company to be distributed in accordance with p. 6.3 below by the par value of one share, specified in p. 4.4 above.

- 4.6 The authorized capital of the Spin-off Company shall be formed at the expense of additional paid-in capital of MMC Norilsk Nickel.
- 4.7 Ordinary shares of the Spin-off Company shall ensure the following rights for their holders:
- 4.7.1. to receive dividends that the Spin-off Company may declare;
 - 4.7.2. to participate personally or by a proxy in General Meetings of shareholders of the Spin-off Company and vote on all issues covered by such meeting's authority;
 - 4.7.3. to make proposals for the agenda of the General Meeting as provided for by the Russian legislation and the charter of the Spin-off Company;
 - 4.7.4. to get information on the Spin-off Company performance, and to review its documents as provided for by the Federal Law *On Joint -Stock Companies* (article 91), other regulatory legal acts and the charter of the Spin-off Company;
 - 4.7.5. to exercise preemptive right to buy publicly offered additionally issued shares and other equity securities convertible into shares in the quantity proportional to the number of shares of this category (type) held by a shareholder;
 - 4.7.6. to get a part of the Spin-off Company's assets in the case of its liquidation;
 - 4.7.7. to exercise other rights provided for by the Russian legislation and the charter of the Spin-off Company.
5. Property and Obligations of the Spin-off Company
- 5.1 The property of the Spin-off Company shall be formed using the property of MMC Norilsk Nickel.
- 5.2 In accordance with the separation balance sheet to be approved by the General Meeting of shareholders of MMC Norilsk Nickel, a part of MMC Norilsk Nickel's assets shall be passed to the Spin-off Company, and namely:
- 5.2.1 all currently held by MMC Norilsk Nickel shares in the following business entities:
- OJSC OGK-3;
 - OJSC OGK-5;
 - OJSC TGK-1;
 - OJSC TGK-5;
 - OJSC TGK-14;
 - OJSC RAO UES of Russia;
 - OJSC Kolenergosbyt;
 - OJSC Kolenergo;
 - OJSC Krasnoyarskenergo;
 - OJSC Tyvaenergo-Holding;
 - OJSC Kola Trunk Grids;
 - OJSC Krasnoyarsk Trunk Grids;
 - National Innovation Company (NIC) LLC

subject to possible changes in the list or composition of these MMC Norilsk Nickel's assets which can take place after the date of the separation balance sheet. Provisions covering the succession in the case of such changes are included in the notes to the separation balance sheet (pp. 8-9).

5.2.2 Liability (debt) in the amount of RUB 15,000,000,000 (fifteen billion) under credit agreement specified in p. 5.4 below.

5.3 MMC Norilsk Nickel will be a sole successor with respect to all liabilities of MMC Norilsk Nickel including those arising after 14.12.2007 but excluding the liabilities to be transferred under the separation balance sheet as indicated in the notes to the separation balance sheet and pp. 5.2.2 and 5.4 herein.

5.4 All rights and obligations of MMC Norilsk Nickel under the following agreements will be transferred to OJSC EnergoPolyus, who will succeed all rights and obligations arising under these agreements including those rights and obligations that MMC Norilsk Nickel acquires in the period between 14.12.2007 and the date of state registration of OJSC EnergoPolyus:

- Credit agreement entered into with the Savings Bank of the Russian Federation, whereby the Sberbank will provide a loan to MMC Norilsk Nickel in the amount of RUB 15,000,000,000, and MMC Norilsk Nickel will repay this loan and pay interests (8.75% p.a. on the actual debt amount) on terms and conditions set out in the credit agreement, as well as an agreement (agreements) to secure execution of the aforementioned credit agreement (pledge of all or a part of shares in OGC-3 and/or TGC-14 which will be transferred to OJSC EnergoPolyus in accordance with p. 5.2.1 of this document;
- Agreement of 20.06.2007 between RAO UES of Russia and MMC Norilsk Nickel on keeping MMC Norilsk Nickel's interest in RAO UES of Russia until the state registration of OJSC Intergeneratsia;
- Agreement No. 02-HH-HH/964-2007 of 22.08.2007 among MMC Norilsk Nickel, RAO UES of Russia and Depository and Corporate Technologies LLC; and
- Depository agreement No. 053/DKT-HH-HH/966-2007 of 22.08.2007 between MMC Norilsk Nickel and Depository and Corporate Technologies LLC.

6. Distribution of the Spin-off Company shares

6.1 Shares of the Spin-off Company shall be distributed among the shareholders of MMC Norilsk Nickel registered in the Company's Register or depositaries's depo accounts as at March 19, 2008, including those shareholders who vote against or do not participate in the voting on the Company restructuring. Shares in the new company shall be distributed pro rata to the number of shares in MMC Norilsk Nickel held by the shareholders at the aforementioned date.

6.2 One ordinary share of the Spin-off Company shall be distributed upon one ordinary share of MMC Norilsk Nickel.

6.3 The total number of shares of the Spin-off Company to be distributed shall amount to 190,627,747 ordinary shares with par value of 1 (one) rouble per share.

- 6.4 The number of ordinary shares in the Spin-off Company assigned to each shareholder of MMC Norilsk Nickel registered in the Company's Register or depositaries' depo accounts as at the date indicated in p. 6.1 above shall be equal to the number of ordinary shares of MMC Norilsk Nickel which belong to such shareholder at the same date. Each of the shareholders of MMC Norilsk Nickel who vote against or do not take part in the voting on the reorganization of MMC Norilsk Nickel will receive shares in the Spin-off Company with the same rights as are ensured by their shares in MMC Norilsk Nickel at the date indicated in p. 6.1 above, and the number of shares to be distributed to each shareholder will be proportional to the number of his/her shares in MMC Norilsk Nickel at that date.
- 6.5 The shares in the Spin-off Company shall be placed at the date of state registration of the Spin-off Company, and the distribution of shares in the Spin-off Company among the shareholders of MMC Norilsk Nickel registered in the Company's Register or depositaries' depo accounts as at the date indicated in p. 6.1 shall be carried out in accordance with p. 6.1. above. State registration of the new company shall be carried out after the date indicated in p. 6.1. above.
- 6.6 Shares of MMC Norilsk Nickel acquired after passing the resolution on the Company restructuring by the General Meeting of shareholders of MMC Norilsk Nickel but before the date indicated in p. 6.1 above, shall ensure to their holders the same scope of rights as may be enjoyed by the shareholders who vote in favour of the restructuring.
- 6.7 Shares in the Spin-off Company shall not be distributed among the shareholders of MMC Norilsk Nickel who acquire shares of MMC Norilsk Nickel after the date indicated in p. 6.1 above.