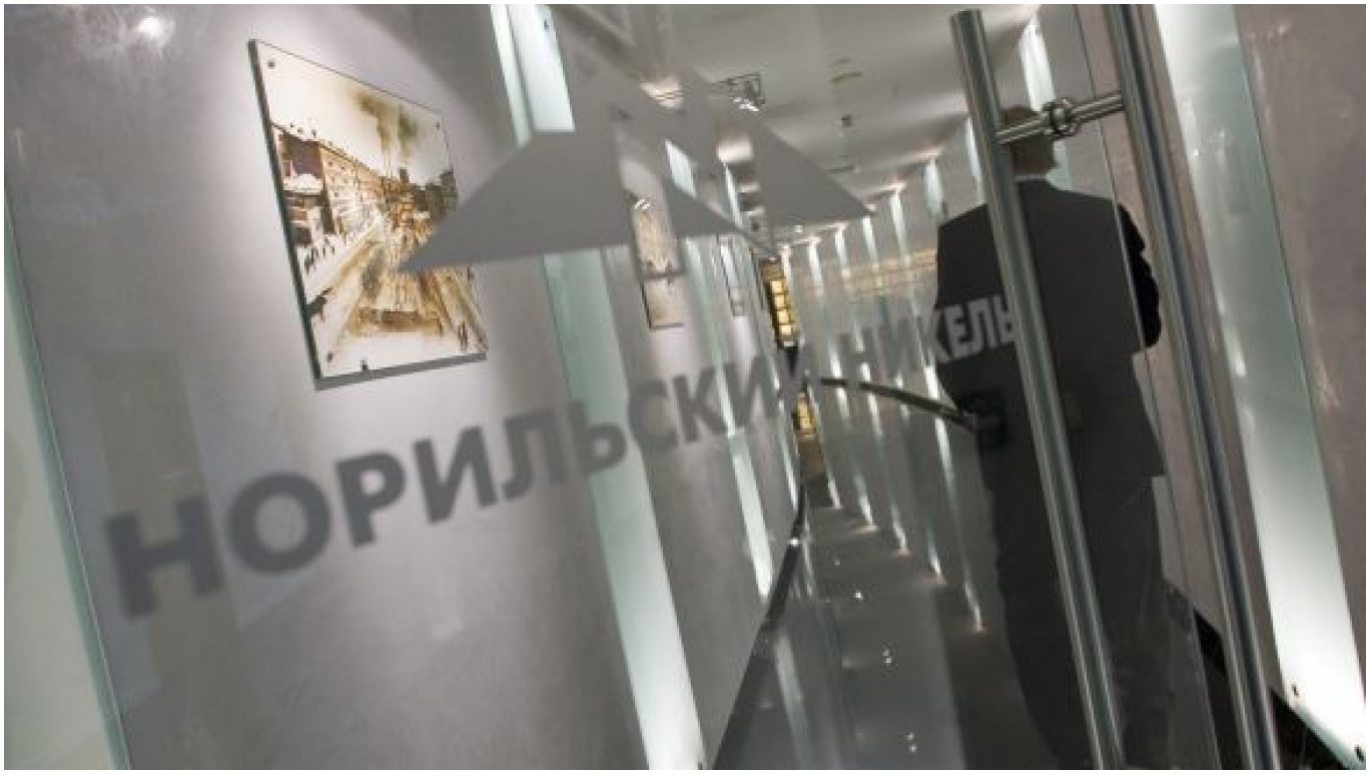
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Putin Ally Chemezov Likely to Join Norilsk Board

By Irina Filatova

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Chemezov, who is likely to join Norilsk Nickel's board, is an ally of Putin, with whom he served in East Germany. **Denis Grishkin**

Russian Technologies head Sergei Chemezov is likely to get a seat on Norilsk Nickel's new board of directors after majority owners agreed to support his candidacy at the upcoming shareholder meeting, sources close to the nickel giant's biggest shareholders said Tuesday.

Billionaire Oleg Deripaska's RusAl and Interros Group, which is owned by Vladimir Potanin, decided to give part of their votes to Chemezov, who had been proposed by Metalloinvest as an independent candidate, a source close to Interros said.

A source close to Millhouse who declined to be identified because the issue is confidential and a RusAl source confirmed the information.

"Chemezov is an independent director, and RusAl has always said there should be more

professional and independent directors on Norilsk Nickel's board," the RusAl source told Vedomosti.

The spokespeople for Interros and Millhouse declined to comment on the issue, while RusAl couldn't be reached for comment.

Metalloinvest, which owns approximately 4 percent in the nickel company, said it would give all its votes to Chemezov.

The mining company hopes that Chemezov, as an independent director, will help improve corporate governance at Norilsk Nickel, a Metalloinvest spokesman said.

Billionaire Alisher Usmanov's group will thus sacrifice its chief executive, Andrei Varichev, whom it had nominated for the Norilsk board along with Chemezov.

The shareholders' decision secures a seat on Norilsk Nickel's board for Chemezov, said Oleg Petropavlovsky, an analyst at BCS brokerage.

Minority shareholders are unlikely to vote for him, since he lacks experience working with public companies, he said. The required threshold for a candidate to get on the board is 7.6 percent.

The decision by Norilsk Nickel's biggest shareholders to support Chemezov's candidacy is at odds with recommendations by the Institutional Shareholder Service, an independent research agency that advises public companies on corporate governance issues.

As a state company chief executive appointed by the Russian president, Chemezov can't be considered an independent director, the agency said.

Chemezov, 60, is a former KGB officer and a long-standing ally of President Vladimir Putin, with whom he served in East Germany in the 1980s.

He is also a board member or chairman of the board of several state-owned companies, such as Rusnano and Russian Technologies subsidiary Oboronprom.

Chemezov is unlikely to significantly affect corporate governance at Norilsk Nickel, but he might successfully represent the company in its relations with authorities thanks to his high status at state-owned firms, Alfa Bank analyst Andrei Lobazov said.

Norilsk Nickel's shareholders nominated 14 candidates for 13 seats on the company's board. RusAl and Interros proposed four directors each, while Millhouse and Metalloinvest nominated one candidate each.

According to the shareholder agreement signed late last year, the companies also nominated four independent directors, including former De Beers CEO Gareth Penny. Those nominees were welcomed by the Institutional Shareholder Service.

Norilsk Nickel's board of directors will be elected at the extraordinary shareholders meeting slated for March 11.

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