

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



UNITED COMPANY RUSAL PLC
(Incorporated under the laws of Jersey with limited liability)
(Stock Code: 486)

**ADOPTION OF LONG TERM INCENTIVE PLAN
AND
GRANT OF AWARD UNDER THE PLAN**

The Board of directors of the Company (“Board”) adopted a long term share incentive plan on 11 May 2011 in which Eligible Participants will be entitled to participate.

In any given Financial Year, the maximum number of Shares to be issued to or purchased by the Trustee for the purpose of the Plan may not exceed 0.3% of the total number of Shares on issue as at the beginning of such Financial Year.

The Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

A summary of the Rules which were adopted by the Board on 11 May 2011 are set out in this announcement.

On 11 May 2011 for purposes, among others, of increasing the employees’ commitment to achievement of the Group’s performance indicators and long-term strategic goals, sharing the Group’s success with employees and enhancing the alignment of employees’ interests with those of the shareholders, the Board adopted a long term share incentive plan in which the Eligible Participants, being any employees (including, without limitation, any executive directors) of the Company and/or any Subsidiary, will be entitled to participate.

On the Nomination Date the Board may, at its own discretion, select employee(s) for participation in the Plan for such Award Period and inform the Trustee and Subsidiaries accordingly. Each Subsidiary will give its approval that those of its employee(s) selected by the Board may participate in the Plan and inform the Selected Employees. The number of Awarded Shares will be determined by the Company on the Award Date.

On the Vesting Date, the Company will procure that the Trustee is provided with sufficient funds to be used only for acquisition of Shares (if such Shares are Existing Shares (ordinary shares of the Company issued by the Company on or prior to the Effective Date) then they are acquired at their current market price), repayment of the Loan(s) (being the loan(s) provided by the Company and/or its Affiliate(s) to the Trustee solely for the purpose of acquiring Shares) and, where applicable, the compensation of relevant purchase expenses.

Prior to each Vesting Date or Accelerated Vesting Date, the Company may arrange for Loan(s) to be provided to the Trustee by the Company and/or its Affiliate(s), which funds are to be used solely for acquisition of the Awarded Shares and the payment of purchase expenses.

If the Company and the Trustee determine that it is appropriate for the Trustee to subscribe for New Shares (ordinary shares of the Company issued by the Company after the Effective Date for the purposes of the Plan), then, subject to the prior approval of the shareholders (if such approval is necessary), the Trustee will subscribe for such number of New Shares as may be required to enable the Trustee to comply with the terms of the Rules and the Company will issue and allot to the Trustee the New Shares for which it has subscribed. The Trustee will apply the funds towards payment of the subscription price for the New Shares.

For avoidance of doubt, all Shares acquired by the Trustee will form part of the trust fund of the Trust.

Unless otherwise determined by the Board at its sole discretion, and with the exception of the vesting of the CEO's LTIP Award, the Awarded Shares and related income for the particular Award Period ("**LTIP Award**") that are transferable to a Selected Employee will vest (for these purposes, the date on which the relevant Tranche vests will be the "**Vesting Date**") in that Selected Employee during a period of five years in installments which each comprise 20% of the LTIP Award (each a "**Tranche**"), *provided* that:

- (a) the Selected Employee remains an employee at all times after the Effective Date (being 11 May 2011) and on each of the Vesting Dates (being 11 November of each respective year (or if such date is not a business day, then the business day immediately following)); and

- (b) the first Tranche of each LTIP Award will vest on the Vesting Date during the calendar year immediately following the Award Period for which such LTIP Award is awarded.

Notwithstanding the above, the CEO's LTIP Award will vest as follows:

- (a) 50% of the LTIP Award for a particular Award Period will vest annually in equal tranches over three years on each anniversary of the Award Date with no performance conditions other than the CEO's continued employment with a member of the Group, and
- (b) 50% of the LTIP Award for a particular Award Period will vest annually in three equal tranches over three years, subject to the CEO's continued employment with a member of the Group and the substantial achievement by the Group in each subsequent Financial Year (being a 12-month period ending 31 December or such other 12-month period adopted by the Company as its financial year) of criteria set out in the business plan of the Group for the prior Financial Year. Each such tranche will only be released to the CEO after a further two years from the Vesting Date and will only be released to the CEO provided that the CEO is continually employed by a member of the Group throughout such withholding period.

If listing rules or local legislation or regulations applicable to the Company or a Subsidiary prohibit or otherwise restrict the Selected Employee(s) from acquiring the Awarded Shares, the relevant Subsidiary or the Company (as the case may be) will inform the Board of this prohibition or restriction and the Board, at its own discretion, may approve an amount in local currency ("**Monetary Award**") to be awarded to such Selected Employee(s) equal to the market value of the Shares to which the Selected Employee(s) would otherwise be entitled if there were no such prohibition or restriction. The Board will inform the relevant Subsidiary accordingly. The Monetary Award will be paid by the Subsidiaries to such Selected Employee(s) in local currency on the Vesting Date after withholding and/or deduction of all applicable taxes.

In the case of a Selected Employee who is a Good Leaver (a Selected Employee whose employment has been terminated for any of the reasons specified in the Rules including, but not limited to, retirement or death), all LTIP Awards to such Selected Employee for all Award Periods for which the LTIP Awards have been approved by the Board will remain effective unless the remuneration committee of the Board (with respect to executive Directors of the Company) or the CEO (with respect to all other employees) determines that all LTIP Awards to such Selected Employee for all Award Periods for which the LTIP Awards have been approved by the Board are deemed to have vested on the day immediately prior to termination of the employment of such

Good Leaver (such day will be deemed the Accelerated Vesting Date on which the Trustee will transfer the LTIP Awards to such Selected Employee pursuant to the Rules). All LTIP Awards of a Selected Employee who is a Bad Leaver (a Selected Employee whose employment has been terminated at the respective Company's or Subsidiary's initiative for reasons specified in the Rules or at the initiative of a Selected Employee or due to a Selected Employee's refusal to continue employment due to reorganisation of the Company and/or any Subsidiary) will automatically lapse and any Awarded Shares which have not vested in the Bad Leaver will be held on trust by the Trustee for the purposes of the Plan.

In the event of a Change of Control, all granted LTIP Awards will vest immediately on the date when such Change of Control becomes or is declared unconditional. Such date will be deemed the Accelerated Vesting Date on which the Trustee will transfer the LTIP Awards to the Selected Employee pursuant to the Rules.

In any given Financial Year, the maximum number of Shares to be issued to or purchased by the Trustee for the purpose of the Plan will not exceed 0.3% of the total number of issued Shares as at the beginning of such Financial Year.

The maximum number of Shares that may be awarded to each Selected Employee under the Plan in any 12-month period will not exceed 0.1% of the total number of issued Shares as at the date when such award takes place.

Restrictions

No grant of the Awarded Shares will be made to a Selected Employee, no payment will be made to the Trustee and no instructions may be given to the Trustee during the black-out period.

The Trustee may not purchase Shares:

- (a) at a price exceeding the higher of:
 - (i) the price of the last independent trade of the Shares; and
 - (ii) the highest current independent bid on the relevant market;
- (b) in excess of 25% of the average daily volume of the Shares traded on the relevant market; or
- (c) during the black-out Period.

During the operation of the Plan, and save in cases specifically provided for under the Plan, the Trustee may not sell any Shares acquired for the purposes of the Plan.

The Trustee will not exercise the voting rights in respect of any Shares held on trust (including but not limited to the Awarded Shares).

The Plan regulates awards for the years from 2010 to 2014 inclusive and, save as otherwise may be specified in the Rules, will be valid and effective until the last Vesting Date on which date it will automatically terminate.

An award under the Rules is made specifically to a Selected Employee and may not be assigned. No Selected Employee may in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares transferable to him pursuant to such award, Related Income or any of the Shares under the Plan.

Grant of award for the year of 2010

On 11 May 2011, the Board finally approved 116 Employees for participation in the Plan for 2010 and has determined that the relevant number of Awarded Shares will be 22,579,450 Shares, of which 2,503,597 are to be awarded to the CEO under the Plan.

Definitions

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Affiliate”	a company which is for the time being and from time to time a subsidiary of the Company and which is not an employer of the Selected Employee(s)
“Award Date”	the date of the Board meeting in each calendar year at which the annual financial results of the Company for the immediately preceding Financial Year are approved, unless another date is specifically approved by the Board. The Award Date for the first Award Period will be 11 May 2011
“Award Period”	a calendar year during the period from 2010 to 2014 (inclusive) for which the LTIP Awards under the Rules are granted

“Awarded Shares”	the Shares awarded to the Selected Employees pursuant to the Rules
“Change of Control”	<p>means any of the following:</p> <ul style="list-style-type: none"> • consolidation of the direct or indirect right of a person or group of persons (other than 4 principal shareholders): <ul style="list-style-type: none"> — to direct the casting of more than 50%+1 of the votes at the meeting of the shareholders of the Company; — to control more than 50%+1 of voting share capital of the Company; — to nominate more than 50% of members of the Board; — with respect to any Subsidiary, to direct the casting of more than 50% of the votes at the meeting of the shareholders of a Subsidiary in which a particular Selected Employee is employed, or to control more than 50% of the voting share capital or nominate more than 50% of members of the board of directors or a similar corporate body of such Subsidiary; • filing a petition for winding up of the Company; • delisting of the Shares from all Stock Exchanges; • alienation of more than 50% of assets of the Company to the third parties
“Company”	United Company RUSAL Plc, a limited liability company incorporated in Jersey, the shares of which are listed on the main board of the Stock Exchange.

“Nomination Date”	the date of the first Board meeting during the Award Period in which a nomination is made unless another date is approved by the Board. The Nomination Date for the LTIP Award for 2010 will be 11 November 2010 and the Nomination Date for the LTIP Award for 2011 will be 11 May 2011
“Plan”	the United Company RUSAL Plc employee share award plan, a long-term incentive plan, constituted and regulated by the Rules
“Rules”	the implementation rules of the Plan which were approved by the Board on 11 May 2011, which may be amended from time to time and a summary of which is set out in this announcement
“Selected Employees”	Employee(s) selected by the Board for the purpose of the Awarded Shares
“Share(s)”	Existing Shares and New Shares
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company and employer of the Selected Employee(s)
“Trust”	the United Company RUSAL Plc Employee Benefit Trust constituted by the Trust Deed
“Trust Deed	a trust deed to be entered into between the Company, the Subsidiaries and the Trustee on establishing the Trust
“Trustee”	Ogier Employee Benefits Trustee Limited and any additional or replacement trustees for the time being of the Trust.

By Order of the board of directors of
United Company RUSAL Plc
Tatiana Soina
Director

12 May 2011

As at the date of this announcement, our executive directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev, Mr. Petr Sinshinov, Ms. Tatiana Soina, Mr. Alexander Livshits and Ms. Vera Kurochkina, our non-executive directors are Mr. Victor Vekselberg (Chairman), Mr. Dmitry Afanasiev, Mr. Len Blavatnik, Mr. Ivan Glasenberg, Mr. Alexander Popov, Mr. Dmitry Razumov, Mr. Anatoly Tikhonov and Mr. Artem Volynets, and our independent non-executive directors are Dr. Peter Nigel Kenny, Mr. Philip Lader, Mr. Barry Cheung Chun-Yuen and Ms. Elsie Leung Oi-sie.

All announcements and press releases published by the Company are available on its website under the links http://www.rusal.ru/en/stock_fillings.aspx and <http://www.rusal.ru/en/press-center.aspx>, respectively.