

APPROVED BY
The Board of Directors
of PJSC SIBUR Holding
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PJSC SIBUR HOLDING
RISK MANAGEMENT
POLICY

(Revision No. 4)

Tobolsk
2014

The main goals of PJSC SIBUR Holding are to maintain its leading positions in Russia and its high competitiveness in the target market segments at international scale , as well as to equally successfully maintain its commitment to social responsibility and environmental safety.

The immense challenges that these goals present urge the management to look for efficient risk management approaches in order to eliminate the risks that may cause major damage to or halt the business activities of the company.

The goal of a risk management process is to provide a balance between maximum use of opportunities for gaining benefits and avoiding losses.

It is essential that a risk management system becomes part of the Company's corporate governance with due attention given to develop the requisite infrastructure and culture, and that the various methods it provides are used to identify, analyze, assess, monitor, control, and manage the intrinsic risks of each activity, function or process within the Company.

The concept of risk management should be based on the assumption that risks make an integral part of the Company's processes. Risks can affect the Company's day-to-day operations, as well as its ability to achieve strategic goals.

The Company's management shall encourage risk-oriented management, continuously improve risk management systems, cultivate risk-management approaches, provide administrative support to risk-management initiatives, and ensure that risks are identified and discussed openly.

In implementing a risk management process, it is critical that it is fully integrated with the fundamental principles of every activity of the Company, its environment, business process management systems, internal control, as well as the health, safety and environment management (HSE) system.

Risk management in PJSC SIBUR Holding is a continuous, dynamic and uninterrupted process, which aims to identify a wide range of risks, provide a comprehensive risk analysis and a process to identify and implement measures to mitigate any negative effects and minimize the probability of loss or to indemnify any losses associated with the Company's activities. Risk management is focused on identifying the key risks that can have an adverse effect on the Company's performance and impair the Company's ability to achieve its strategic objectives.

Preventive risk management has proven to be most effective. A preventive approach to risk identification, analysis and work on risk means risk management plans should be already in place before a threat or risk occurs.

The Company's business units and subsidiaries should integrate risk management activities into their daily routine, continuously analyze hazards and threats when making decisions and continually improve their risk management systems.

According to the assessment The management shall not review the performance of each business unit and company against the number of risks, but shall provide assistance to identify as many risks as possible in each business process. When a threat is identified, the primary objective should not be to find the employee at fault, but to identify the best management decision to eliminate the threat as soon as possible.

A successful implementation of a risk management system requires that the Management build a corporate culture of awareness, importance, responsibility, employees' continuous involvement in risk management, and understanding that risk management policy and procedures are incumbent. All employees should understand that risk management makes us more competitive and sustainable.

The Company should recognize that each employee is a source of risk mitigation ideas. Risk management requires the full commitment, continuous learning and professional

development of employees in every workplace. The Company management shall monitor and assess the effectiveness of its risk management system and shall continuously work to improve it. All managers shall provide a leading role, show their individual interest and directly participate in risk management and shall act as a role model for their subordinates.

The management shall be responsible to create an effective risk management system that conforms to international standards and best global practices.