

**Approved
by the Board of Directors
JSC SIBUR Holding
Minutes No. 157 dated June 29, 2012**

**JSC SIBUR HOLDING
RISK MANAGEMENT
POLICY**

(Revision No. 3)

Moscow
2012

The main objectives of JSC SIBUR Holding include maintaining leading positions in Russia and high competitiveness in target market segments worldwide, combining economic benefits with social responsibility and environmental safety. The Company associates achievement of the objectives with acquisition of assets, building of new capacities, implementation of innovative solutions and modernization of existing production facilities.

On the account of such large-scale tasks the management experiences necessity in efficient risk management approach in order to eliminate possibility of risks which might impair major damage or lead to halting business activities.

Risk management is aimed at enhancing continuity of principal production, management and financial processes, eliminating possibility of losing business value, guaranteeing controllability of all principal hazards to the shareholders.

Risk management concept is based on assumption that risks make an integral part of any process. Risks may influence both current company's activities and its ability to achieve its strategic goals.

The Company's management is committed to providing continuous improvement of the risk management system, cultivating risk-management approach, providing administrative support to risk-management-related initiatives, contributing to risk recognition and encouraging open discussion thereof.

Risk management in JSC SIBUR Holding presupposes close interaction of all units of the Company. Therefore in order to achieve effective results we should not only view impact of risks on independent functional processes but also take into consideration influence of such risks on activities of other units, reach out for including risk management into set of tasks which have traditional solutions, strive for maximum elimination of possibility of risk occurrence while maintaining minimum costs, maintain risk assessment pursuant to their timeliness criteria on a continuous basis.

Risk management presupposes making decisions in conditions of uncertainty. Hence the importance of objective specification of definition of risks. General definitions preserve the most of the uncertainty and lead to ambiguous understanding of the risk itself.

Preventive risk management proves to be the most effective kind. Preventive approach to recognition, analysis and work on risks includes preparing risk management plans in advance, prior to occurrence of risk factors. Hazard prevention involves clear, structured and reproducible process; the issue in focus is the underlying causes rather than their appearing symptoms. Preventive measures are taken wherever it is possible. The underlying principle is to prevent occurrence of risks rather than remedy their consequences.

The Company's management proceeds from the assumption that risk management is no one-time-only type of activity but rather one of the basic principles of conduct of business. Structural subdivision of the Company and its subsidiaries integrate their risk management activities into daily routine, analyse hazards upon making decisions and improve risk management system on a continuous basis.

Upon summing up the results, the Company's management does not evaluate activities of its subdivisions and enterprises based solely on the amount of risk, but instead contributes to revealing maximum possible amount of risks for each of the business processes. Upon occurrence of risk factors the focus is on development of managerial solution which would facilitate elimination of such factors instead of looking for guilty persons.

Success of implementation of risk management system is preconditioned with continuous engagement of the staff in these activities. All of the Company's employees are encouraged for continuous work aimed at detection, analysis and assessment of risks and they realize that risk management contributes to our commercial viability and stability. Risk management is the key to cost reduction, profit maintenance and survival on the competitive market.

The Company treats each of its employees as a source of ideas for risk mitigation. Risk management requires total devotion on the part of the employees, regular advanced training, and professional skills of each employee. The Company's management takes every possible action in order to actualize creative potential of its employees, supports and rewards those employees who come up with new ideas.

Risk management requires continuous improvement of processes. This means that no matter how good we perform at the moment, we can do it still better.

The Company's management monitors and assesses efficiency of risk management system and works on its improvement on a regular basis. All managers show interest, provide leading role and directly participate in risk management, act as role model for their subordinates. The management is held responsible for implementation of risk management system.