

**APPROVED**  
**by Resolution of the General Meeting**  
**of OJSC "SIBUR Holding"**  
**of October 13, 2014**  
**(minutes number 44)**

**PROVISIONS**

**on the Management Board**  
**of Public Joint Stock Company "SIBUR Holding"**

**(Revision No. 10)**

**Tobolsk**  
**2014**

These Provisions have been developed in accordance with the applicable laws of the Russian Federation and the Articles of Association of Public Joint Stock Company "SIBUR Holding" (hereafter referred to as **the Company**) and other internal documents of the Company and lay down the procedure for the election and the term of appointment of the collective executive body of the Company (hereafter referred to as the **Management Board**), as well as the operating policy of the Management Board.

### **Article 1. General provisions**

1.1. The Management Board is the Company's collective executive body in charge of the day-to-day management of its operations.

1.2. The Management Board participates in the development and organizes the implementation of the Company's strategy and policy, and the implementation of the resolutions of the General Meeting and the Board of Directors.

1.3. The main objectives of the Management Board are to organize the management of the Company's assets so as to achieve a high level of profitability, to increase the effectiveness of the internal control and risk monitoring systems, to ensure that the rights and legitimate interests of the shareholders are respected.

1.4. The laws of the Russian Federation, the Articles of Association of the Company, resolutions of the General Meeting and the Board of Directors, these Provisions, and other internal documents of the Company shall govern the work of the Management Board.

1.5. The Management Board shall represent the best interest of the Company and its shareholders. The Management Board reports to the General Meeting and the Board of Directors.

### **Article 2. Management Board creation and composition, the terms of appointment of the Management Board members**

2.1. In accordance with the Articles of Association of the Company, the Management Board is created by the Board of Directors upon the recommendation of the Sole Executive Body and is made up of executive officers of the Company or its subsidiaries.

2.2. The number of members on the Management Board shall be determined by the Board of Directors and shall be optimal for a constructive discussion and for adoption of prompt and effective decisions. The Management Board shall not have more than fifteen (15) members.

2.3. The Sole Executive Body or members of the Management Board shall not concurrently serve on the Audit Committee.

2.4. Members of the Management Board can hold positions in the governing bodies of other organizations (besides the legal entities within the SIBUR Group) only if approved to do so by the Board of Directors.

2.5. Members of the Management Board shall be elected for a term specified in the Articles of Association of the Company.

2.6. The appointment of any member of the Management Board may be terminated at any time by the Board of Directors on own initiative of a member of the Management Board, on the initiative of the Board of Directors or as advised by the Sole Executive Body.

The appointment of a member of the Management Board shall be deemed terminated on the date stated in the resolution of the Board of Directors or, if not stated by the Board of Directors, on the date of the Board of Directors' resolution to terminate the appointment of the member of the Management Board.

2.7. The Board of Directors may terminate the appointment of the entire Management Board before due term.

When terminating the appointment of the entire Management Board before due term, the Board of Directors shall elect a new Management Board at the same time.

### **Article 3. The competence of the Management Board**

3.1. The competence of the Management Board is determined in the Articles of Association of the Company.

3.2. The Management Board shall be competent to:

- 1) organize effective the day-to-day management of the Company;
- 2) ensure the implementation of the resolutions of the General Meeting and the Board of Directors;
- 3) appoint and dismiss heads of the Company's branches and representative offices;
- 4) approve and assess a list of key risks and endorse procedures to manage such risks.

3.3. The Management Board shall have the right to hear to the reports of Company officers, obtain technical, economic, business, and other information on the Company's activities, as well as information on the activities of its subsidiaries and affiliates, and otherwise perform in a fully competent manner.

### **Article 4. Chief Executive Body of the Company**

4.1. The Sole Executive Body (General Director of the Company) shall chair the Management Board.

4.2. The Sole Executive Body shall organize the activities of the Management Board, assign responsibilities to the members of the Management Board, ensure the Management Board makes sound and effective decisions, preside over the meetings of the Management Board, resolve any other matters stipulated by the Articles of Association of the Company and these Provisions.

In the absence of the Sole Executive Body, a member of the Management Board appointed by the Management Board shall chair that meeting of the Management Board.

4.3. The Sole Executive Body shall represent the Management Board at the meetings of the Board of Directors and at General Meetings.

4.4. If the powers of the Sole Executive Body are assigned to a management organization by resolution of the General Meeting, the Sole Executive Body of the managing organization shall chair the Management Board.

### **Article 5. The Secretary of the Management Board**

5.1. The Secretary of the Management Board shall be appointed by the Sole Executive Body.

5.2. The Secretary of The Management Board shall:

- 1) draft the work plans of the Management Board;
- 2) be responsible for the preparation and conduct of the meetings of the Management Board, collection and systematization of meeting materials, timely notification of the members of the Management Board of meetings, meeting agendas, materials on the agenda, keeping minutes of meetings and preparing draft resolutions of the Management Board;
- 3) provide Management Board members with all necessary information, monitor progress on the orders recorded in the minutes of the meetings and resolutions of the Management Board, keep all latest materials reviewed by the Management Board and

subsequently transfer those materials to permanent storage, maintain a database on matters that are within the competence of the Management Board;

4) where appropriate, provide explanations to Management Board members and other officers of the Company on the activities of the Management Board, its competence, composition and collaboration with the Board of Directors, and provide assistance in preparing documents that will be submitted to the Management Board;

5) communicate with Company employees at the venue of Management Board meetings on matters related to the preparation of meetings;

6) during preparations for a poll of the membership of the Management Board, send mail-in ballots to members of the Management Board and accept the filled ballots from the members of the Management Board;

7) perform other functions in accordance with the internal documents, these Provisions and as instructed by the Sole Executive Body.

5.3. The Secretary of the Management Board shall perform his or her duties at the registered office of the Company, unless otherwise provided by the Sole Executive Body.

## **Article 6. The Management Board Work Plan and agenda materials for Management Board meetings**

6.1. The Management Board shall carry out its activities in accordance with a six month Management Board Work Plan.

6.2. The Management Board shall approve a work plan before the beginning of each six month period. The work plan shall include the following information:

- matters to be considered by the Management Board;
- tentative deadline for the consideration of the matters;
- reasons for including an item in the Management Board Work Plan;
- Full name and job title of the presenter of the agenda item

6.3. The Management Board Work Plan will be based on the resolutions of the General Meeting, Board of Directors, matters proposed by the Sole Executive Body, and proposals of members of the Board of Directors and heads of the Company's business units. Such proposals must contain the information specified in paragraph 6.2. These Provisions.

6.4. The Secretary of the Management Board, within five (5) working days after the approval of the Management Board Work Plan, will distribute it to the members of the Management Board and to presenters of the agenda.

6.5. A function responsible for the preparation of an agenda item for a Management Board meeting will submit the appropriate materials to the Secretary of the Management Board no later than five (5) working days before the Management Board meeting. Such material shall include a draft resolution of the Management Board on the agenda item and a memorandum (explanatory note) detailing the proposed agenda item, with the appropriate supporting materials enclosed (calculations, charts, diagrams, and presentations, consultants' opinions, etc.)

6.6. A relevant function of the Company will provide its opinion on the draft resolutions of the Management Board with regard to their compliance with the applicable Russian laws, the Articles of Association of the Company and other internal documents of the Company.

6.7. If a management organization is such responsible function, the management organization will provide an opinion on compliance of such draft resolution with the applicable Russian laws, the Articles of Association of the Company, and other internal documents of the Company.

## **Article 7. Calling and holding meetings of the Management Board**

7.1. The Sole Executive Body will call meetings of the Managing Board in accordance with the Management Board Work Plan.

The Sole Executive Body will call unplanned meetings on its own initiative and if proposed by members of the Management Board or the Board of Directors.

If necessary, the Sole Executive Body may declare a recess in a meeting of the Management Board. A recess shall not last more than three (3) working days. After the specified period, the Board meeting shall be continued with the same agenda.

7.2. The agenda for Management Board meetings is approved by the Sole Executive Body in accordance with the Management Board Work Plan.

On own initiative or on the proposal of the members of the Management Board, the Sole Executive Body may add to the agenda other matters of the Company's current activities that are not included in the Management Board Work Plan.

The Sole Executive Body shall include in the agenda for Management Board meetings any matters proposed by the Board of Directors.

7.3. The agenda, with related materials enclosed, will be distributed to the members of the Management Board by the Secretary of the Management Board no later than three (3) working days before the meeting of the Management Board.

7.4. The Sole Executive Body will approve the procedure for the preparation and submission of said materials to the Management Board.

7.5. The meetings of the Management Board will be held either at the address of the Company's office specified in the Articles of Association of the Company or in the city of Moscow. The Management Board may also hold offsite meetings. The venue of such meetings will be determined by the Chairman of the Management Board.

If necessary, Management Board meetings can be held at another place designated by the Sole Executive Body.

7.6. Members of the Management Board and invitees may participate in the meetings of the Management Board.

7.7. A meeting of the Management Board will be competent to transact business (will have a quorum) if attended by at least half of all elected members of the Management Board. A written opinion of an absent member of the Management Board on the agenda items shall be taken into account when determining a quorum and the voting returns at a meeting of the Management Board.

A written opinion submitted by a member of the Management Board must unambiguously explain the member's position on the agenda and must indicate a "yes" or "no" or "abstained" vote with regard to the proposed resolutions.

A written opinion containing amendments to and reservations on a proposed resolution shall not be considered in determining a quorum and voting results.

A written opinion of a member of the Management Board must be received by the Secretary of the Management Board no later than at the beginning of the meeting of the Management Board, which will be voting on the agenda with regard to which the written opinion is submitted.

A member of the Management Board shall be deemed present at a meeting, if he or she participates at the meeting through telephone, intercom or video conferencing, or if he or she can express his or her opinion in real time during the meeting and vote on matters discussed by any other means.

Should the number of members on the Management Board become less than the number of members required to constitute a quorum, the Company's Board of Directors shall create a Board that will be competent to pass decisions.

7.8. At the meetings of the Management Board, resolutions shall be passed by a majority vote of the Management Board members attending the meeting.

7.9. The Management Board may vote and adopt resolutions (issue orders) on any extraordinary or urgent matters by a poll of the Board membership, without holding a joint meeting.

7.10. A notice of a joint Management Board meeting shall be distributed to all members of the Management Board by e-mail, not later than seven (7) working days before the date of the meeting; in the case of voting by mail ballot, not later than three (3) working days before the deadline for submission of the filled mail-in ballots.

The notice (email message body) of a joint meeting of the Management Board shall include the date, venue and time of the meeting. The notice must have attached the meeting agenda.

The postal ballot notice (email message body) shall contain the date and the place where the filled ballots are to be returned. The notice will have a ballot enclosed, listing the items put to the vote and indicating the deadline for submission of the filled ballot.

7.11. Ballots, filled and signed by the members of the Management Board, shall be submitted to the Secretary of the Management Board. Ballots submitted to the Secretary of the Management Board must unambiguously indicate the position of a member of the Management Board with regard to each agenda item and a choice must be made between the "yes", "no", and "abstention" options. Ballots with any amendments to and reservations on a proposed resolution shall not be considered in determining a quorum and voting results.

A member of the Management Board shall be deemed to have participated in the poll of the Management Board membership, if their filled and signed ballots have been received no later than the deadline specified in the ballot for submission of the filled ballots.

The meetings of the Management Board, which are conducted by poll, shall be deemed to take place at the address of the Company's office specified in the Articles of Association of the Company.

Resolutions with regard to matters voted on by poll shall be taken by a majority vote of the total membership of the Management Board.

7.12. In the voting procedures of the Management Board, each member of the Management Board shall have one vote. The members of the Management Board may not delegate their right to vote to any other person, including to other members of the Management Board.

If the votes split equally during the voting, the officer presiding over the meeting of the Management Board shall have the casting vote.

7.13. The procedure of a Management Board meeting shall be determined by the officer presiding over the meeting in accordance with these Provisions.

## **8. Issuance of the resolutions of the Management Board**

8.1. At the meetings of the Management Board, the Secretary of the Management Board will keep Minutes, which will be signed by the officer presiding over the meeting. The Minutes of the polling procedures will be signed by the Sole Executive Body. In the absence of the Sole Executive Body, the Minutes of the polling procedures of the Management Board will be signed by its Deputy, appointed from among the members of the Management Board to act as

the Sole Executive Body. In all above cases, the Minutes must also be signed by the Secretary of the Management Board.

8.2. The Minutes of a meeting of the Management Board shall include the following:

- minutes number;
- the date, time and place of the meeting;
- a list of the members of the Management Board present at the meeting and a list of the members of the Management Board who submitted their opinions, in writing, before the deadline
- matters put to the vote;
- the result of voting on each matter;
- and the resolutions adopted.

The Minutes will have enclosed the agenda, the attendance list (including invitees) and the opinions of members of the Management Board, received in writing, on the agenda items.

The Minutes may include the names of the main speakers and the opinions expressed at the meeting.

At the request of a member of the Management Board, a dissenting opinion, expressed in writing, will be enclosed to the Minutes of a meeting.

8.3. The minutes of a polling procedure shall include:

- date and place of recording minutes;
- a list of the Management Board members who participated in the poll;
- matters put to the vote;
- voting results;
- the resolutions adopted

8.4. The minutes of a polling procedure shall have enclosed the hand filled and signed mail ballots submitted by the members of the Management Board who participated in polling.

8.5. The minutes will be drawn up within three (3) working days from the date of the meeting of the Management Board.

8.6. Resolutions of the Management Board will be forwarded to the action officers within three (3) working days after the signing of the respective Minutes of Management Board Meeting by the Chairman of the Management Board.

8.7. Where appropriate, the Secretary of the Management Board will sign and provide extracts from the minutes of a meeting of the Board of Directors. An extract shall include:

- minutes number;
- date and place of the meeting;
- a list of the members of the Management Board present at the meeting and whether or not the meeting had a quorum;
- the agenda item concerning which the extract is made;
- the resolutions adopted on the agenda item or sub-items;
- and the outcome of voting on the matter.

## **9. The rights, obligations and responsibilities of the members of the Management Board**

9.1. The members of the Management Board have the rights and obligations prescribed by the applicable laws of the Russian Federation, these Articles of Association of the Company and these Provisions. Members of the Management Board can be parties to contracts signed on behalf of the Company by the Chairman of the Board of Directors or another person authorized by the Board of Directors.

9.2. All members of the Management Board shall represent the best interest of the Company, in good faith and prudently.

9.3. A member of the Management Board shall have the right to submit proposals with regard to the Management Board's work plan and call an unplanned meeting of the Management Board, obtain documents and materials for the meetings of the Management Board to be able to make informed decisions, receive minutes of the meetings of the Management Board and extracts from minutes, and familiarize themselves with other documents of the Company in the manner, which is prescribed by the Company.

The security policy and the procedure by which Management Board members can access information that constitutes a trade secret of the Company shall be prescribed in the Company's internal documents approved by the Board of Directors.

9.4. The members of the Management Board shall be guided in their work by the applicable laws of the Russian Federation, the Articles of Association of the Company, resolutions of the General Meeting and the Board of Directors, internal documents of the Company, and these Provisions.

9.5. The members of the Management Board shall not use their status with the Company and access to internal information to obtain personal gain and shall prevent other from doing the same.

9.6. The members of the Management Board shall not disclose any information that constitutes a trade secret of the Company, any insider information or any other confidential information of the Company.

9.7. The members of the Management Board shall inform the Sole Executive Body, Board of Directors, Audit Committee and the Company's auditor of any of the following:

- any legal entities in which they hold, independently or together with their affiliate(s), twenty (20) or more percent of voting shares (stake or equity);
- any legal entities in the governing bodies of which they hold positions;
- any known or suspected transaction to which they can be considered a related party.

The relationship of a member of the Management Board to a transaction shall be determined in accordance with article 81 of the Federal Law on Joint-Stock Companies.

9.8. The members of the Management Board shall be liable to the Company for any damage caused to Company by their wrongful acts (omission).

9.9. Those members of the Management Board who voted against the resolution which caused damage to the Company or those who, exercising good faith and proper care, did not participate in the voting shall not be held liable.

9.10. The Board of Directors may decide to pay a remuneration to the members of the Management Board and (or) to pay a compensation for the expenses incurred by them in the discharge of their duties as members of the Management Board. The amount of such remuneration and compensation is subject to resolution of the Board of Directors.

## **10. Control over the activities of the Management Board**

10.1. The Management Board shall provide the Board of Directors information on the financial and business activities of the Company in accordance with the Board of Directors Work Plan, by resolution of the Board of Directors, and in other cases stipulated in the Company's Articles of Association and internal documents.

10.2. At the request of the Board of Directors, the Management Board shall report to the Board of Directors on the progress of implementing the Company's programs and plans, resolutions of the General Meeting and the Board of Directors, on any other performance of the Company, including the management of the Company's assets.



10.3. The Secretary of the Management Board shall provide minutes of the meetings of the Management Board to the members of the Management Board, as well as to the members of the Board of Directors, the Audit Committee and the Company's auditor, upon their request, within three (3) working days from the date of receipt of such request.

## **11. Information on the activities of the Management Board**

11.1. Shareholders representing at least twenty five percent (25%) of the Company's voting shares can request minutes of the meetings of the Management Board. The minutes will be provided for familiarization in the prescribed manner within seven (7) days from the date of a written request.

11.2. The procedure for the disclosure of the Management Board's activities to the media shall be determined by the Sole Executive Body in accordance with the information policy and other internal documents of the Company.

## **12. Final provisions**

12.1. These Provisions shall become effective upon approval by the General Meeting.

12.2. Suggestions to amend or modify these Provisions shall be submitted in accordance with the provisions of the Articles of Association for the proposal of agenda for an Annual or Extraordinary General Meeting.

12.3. Should any of the terms set forth herein conflict with applicable law of the Russian Federation and/or the Articles of Association of the Company, such terms shall become void and the terms of the applicable law of the Russian Federation and/or the Articles of Association shall govern. The invalidity of any individual provisions of these Provisions will not affect the validity of the remaining provisions and these Provisions as a whole.