

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

**PROVISIONS**  
**on the Audit Committee**  
**of Public Joint Stock Company "SIBUR Holding"**

(Revision No. 4)

**Tobolsk**  
**2014**

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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 operating procedures of the Audit Committee of the Company (hereafter referred to as the **Audit Committee**).

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

1.1. The Audit Committee is the Company's elected body, which administers control over the Company's financial and business activities.

1.2. The work of the Audit Committee is governed by the applicable laws of the Russian Federation, the Articles of Association of the Company, resolutions of the General Meeting, these Provisions, and other internal documents of the Company.

1.3. The main objectives of the Audit Committee are to:

- administer control of the Company's financial and accounting information reliability and the reliability of other information on the Company's financial and business activities and status;
- monitor compliance of the Company's accounting procedures with law, as well as financial reporting and disclosure to the appropriate authorities and shareholders;
- improve the Company's asset management performance and other financial and business activities, reduce financial and operational risks, and improve the internal control system.

### **Article 2. The composition and term of appointment of the Audit Committee**

2.1. The Audit Committee of three members is elected by the Annual General Meeting for a term until the next Annual General Meeting in the manner prescribed by the Federal Law on Joint-Stock Companies and the Articles of Association of the Company.

2.2. Proposals for the nomination of candidates to the Audit Committee shall contain the following information for each candidate:

- last name, first name and patronymic;
- year, month, day and place of birth;

for Russian nationals: details of the identity document ((serial) number, date and place of issue, issuing authority, and registered address);

- for non-residents: details of the identity document;
- education, including the academic institution, year of graduation and degree obtained;
- the name of the organizations in which he or she has worked/is working and positions held in the last five (5) years;
- and the mailing address and phone/fax.

2.3. The appointment of individual members of or the entire the Audit Committee may be terminated before due term by resolution of the General Meeting.

2.4. The early termination of the term of appointment or the retirement of one member of the Audit Committee does not affect the powers of the remaining members of the Audit Committee.

2.5. Members of the Audit Committee shall be deemed to have retired if they left of their own accord, died or are unable to exercise their functions for other reasons.

A member of the Audit Committee shall be deemed retired from the Committee on the day following the receipt by the Company of a notice to terminate from such member of the Audit Committee, or on the day of his or her death, or on the day of receipt by the Company of documents that prove the Audit Committee member's inability to perform in the capacity. If the Chairman of the Audit Committee leaves the Audit Committee of his own accord, the Audit Committee shall elect a new Chairman of the Audit Committee.

2.6. Members of the Company's Audit Committee shall not concurrently serve on the Company's Board of Directors or hold any other positions in the governing bodies of the

Company.

Shares held by the members of the Board of Directors or persons holding positions in the governing bodies of the Company may not vote on the election of the members of the Company's Audit Committee.

### **Article 3. The competence of the Audit Committee**

3.1. The competence of the Audit Committee is subject to the Federal Law on Joint-Stock Companies, as well as the Company's Articles of Association in any matters that are not covered by the law.

3.2. The Audit Committee, in accordance with the law, shall:

- audit the Company's financial and business performance at the end of the year and at any time, on its own initiative, pursuant to resolution of the General Meeting or the Board of Directors, and at the request of the Company's shareholder(s) representing at least ten percent of the Company's voting shares;
- confirm the accuracy of the data contained in the Company's annual report, annual financial statements and other reports and financial documents of the Company;
- report to the governing bodies of the Company on any violations of accounting and financial reporting procedures specified in the laws and regulations of the Russian Federation, as well as any violations of the laws and regulations of the Russian Federation found in the course of business.

3.3. In accordance with the Articles of Association of the Company, the Audit Committee shall be competent to:

- audit and analyze the Company's financial position, solvency, system of internal control, system of financial and operational risk management, asset liquidity, and debt-to-equity ratio;
- audit, for timeliness and accuracy, contractor accounts and budgetary payments, as well as salaries and emoluments, social insurance, the accrual and payment of dividends and other payments;
- audit compliance with the applicable standards and regulations, approved budgets and other rules and regulations of the Company with regard to the utilization of materials, human and financial resources in the manufacturing, financial and business activities, as well as audit compliance with the resolutions of the General Meeting;
- audit the legality of the Company's business operations and transactions performed on behalf of the Company under contracts;
- audit the effective use of assets, funds, property, and other resources of the Company; investigate the reasons for downtime and overheads;
- review compliance with the orders to eliminate violations and shortcomings identified by the Audit Committee earlier;
- audit the resolutions of the Board of Directors and the Management Board on matters of the Company's financial and business activity for compliance with the Articles of Association of the Company and the resolutions of the General Meeting.

3.4. The Audit Committee shall have the right to submit proposals regarding the work plans of the Company's governing bodies, demand that meetings of the Management Board, the Board of Directors, the Audit Committee of the Board of Directors, or the General Meeting be called depending on the area of competence, should the Audit Committee find that material interests of the Company are under a threat, or find any abuse cases among Company officers and regarding other matters of concern.

3.5. On request or demand of the Audit Committee, it shall receive minutes of the meetings of the Company's Management Board, the Board of Directors and the committees of the Board of Directors.

3.6. The Audit Committee shall be entitled to request the following information from the members of the Board of Directors, members of the Management Board, the Company's Sole Executive Body, and the Company's shareholder representing, together with its affiliates,

20 or more percent of the voting shares:

- on the legal entities in which they hold, independently or jointly with their affiliate(s) 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.

3.7. The Chairman of the Audit Committee may be present at the meetings of the Management Board, the Board of Directors of the Company and at the meetings of the Audit Committee of the Board of Directors, when they review the results of the Company's audits (checks), as well as at other meetings at the invitation of the Board of Directors and the Management Board of the Company.. If the Chairman of the Audit Committee cannot attend such meetings, he or she may authorize another member of the Audit Committee to attend the meetings.

#### **Article 4. The Chairman of the Audit Committee and the Secretary of the Audit Committee**

4.1. The Chairman of the Audit Committee and the Secretary of the Audit Committee shall be elected at the first meeting of the Audit Committee from among the members of the Audit Committee by a majority vote of the total votes of the Audit Committee. The Audit Committee may appoint one of the members of the Audit Committee to act as the Secretary.

4.2. The Chairman of the Audit Committee runs the Audit Committee, prepares the Committee's work plan, calls and holds meetings, presides over the meetings, assigns responsibilities to the members of the Audit Committee, signs the minutes of the Committee's meetings, opinion reports and other documents of the Audit Committee, and deals with any other matters specified in these Provisions.

4.3. The Chairman of the Audit Committee shall appoint a member of the Audit Committee to temporarily chair the Audit Committee while the Chairman is away. If a temporary Chairman of the Audit Committee is not appointed, the Audit Committee will elect a temporary chairman by a majority vote of the total votes of the Audit Committee.

4.4. The Secretary, or a member of the Audit Committee acting as a Secretary, shall be responsible to provide organizational support to the Audit Committee and prepare its meetings, manage its records and documents, store minutes and other materials of the Audit Committee, give notice of meetings to the members of the Audit Committee and invitees, distribute materials to the members of the Audit Committee, record minutes of meetings and provide extracts from minutes, perform any other functions prescribed by these Provisions and resolutions of the Audit Committee.

#### **Article 5. Holding the meetings and adopting the resolutions of the Audit Committee**

5.1. The Audit Committee shall adopt all its resolutions at its meetings, which shall be called by the Chairman of the Audit Committee in accordance with the Work Plan approved by the Audit Committee. The Audit Committee will meet before and after carrying out all audits (checks).

The Chairman of the Audit Committee may call unplanned meetings at his or her own initiative or at the request of members of the Audit Committee.

The agenda for the meetings shall be approved by the Chairman of the Audit Committee.

5.2. The meetings of the Audit Committee are attended by its members and invitees.

The members of the Audit Committee may not delegate their powers to other persons, including by proxy.

5.3. A meeting of the Company's Audit Committee will be competent to pass resolutions if at least half of the Audit Commission's members are present.

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Should the membership of the Audit Committee constitute less than a quorum, the Audit Committee shall request that a meeting of the Board of Directors be called to consider convening an Extraordinary General Meeting in order to elect new members to the Audit Committee instead of the retired members.

5.4. Each member of the Audit Committee shall have one vote.

At the meetings of the Audit Committee, all resolutions shall be passed by a simple majority of votes among the attending members. In the event of equality of votes, the Chairman of the Audit Committee shall be entitled to a casting vote The Audit Committee.

The minority members of the Audit Committee may express their dissenting opinions in writing and these opinions will be enclosed to the minutes of the Audit Committee's meeting.

5.5. The Audit Committee may also pass resolutions by polling its members (to approve draft resolutions), if the matter is urgent or requires a prompt resolution.

5.6. Minutes are kept at the meetings of the Audit Committee. The minutes are signed by the Chairman of the Audit Committee or, if the Chairman of the Audit Committee did not participate in the meeting, by the officer presiding over the meeting of the Audit Committee. The minutes of a meeting shall be issued not later than three (3) working days after the meeting.

5.7. The minutes shall include:

- the date, time and place of the meeting;
- a list of the persons present at the meeting (a list of the Audit Committee members who voted on resolutions by mail ballot);
- meeting agenda;
- matters put to the vote;
- voting results;
- and the resolutions adopted.

5.8. All materials (opinions, audit findings reports and other documents) that served as the basis for the decisions made shall be enclosed to the minutes of the meeting.

5.9. The minutes of the Audit Committee shall be distributed to parties concerned within five days from the date of their signature.

## **Article 6. Auditing (revision) procedure**

6.1. The Audit Committee shall conduct annual audits (revision) of the Company's financial and business activities, as well as routine checks and other audits prescribed by resolutions of the Company's governing bodies and as requested by persons mentioned in paragraph 3.2 of these Provisions.

6.2. Audits (revision) shall not interfere with the Company's normal business operations.

6.3. The Company's employees serving on the Audit Committee as Chairman or members will be excused from their main duties, without loss of pay, during audits and during the term they serve on the Committee in accordance with the summoning by the Chairman of the Audit Committee and the Committee's work plan.

6.4. When conducting an audit (revision) of the Company's financial and business activities, the Audit Committee, in accordance with its competence, shall have the right to:

- require the production of documents and materials on the Company's financial and business activities by members of the governing bodies of the Company, business units, officers, and other employees of the Company;
- require that inventory custodians produce the Company's cash, monetary instruments, securities, tangible assets, source documents and reports, account books, reporting forms, plans, budgets, and other documentation, including information containing confidential information, as well as copies of these documents,
- require carrying out a physical inventory of the Company's assets and stocks, measuring the amount of work completed, quantities and work-hours, if necessary, seal off

cash registers, warehouses, stockrooms, and other business premises;

- verify if the cost of materials, wages and salaries, services and other costs have been assigned to production correctly;
- require relevant information and records of transactions with the Company from the Company's contractors and banks;
- request any written and oral explanations from the Company's officers and other employees on matters arising in connection with audits (revisions);
- submit to the governing bodies of the Company proposals to hold delinquent employees liable at law, proposals on measures to recover any damage caused to the Company or to protect any other rights and legitimate interests of the Company in accordance with the applicable laws;
- require that the governing bodies of the Company promptly eliminate any violations found in the course of an audit (revision);
- engage, as appropriate, experts and consultants, including on a contractual basis, as well as the Company's employees.

6.5. The Audit Committee shall:

- ensure systematic control over the activities of the Company;
- objectively reflect all found cases of violations and abuses, including the reasons and persons responsible, and the amount of loss or damage;
- present for the consideration of the Board of Directors an auditor's report on revision of the financial and business activities of the Company for a given year and within the time specified by law and the Articles of Association of the Company;
- promptly bring to the attention of the Board of Directors, the Management Board and the Sole Executive Body of the Company any findings of the Company audits and revisions, reports of the Audit Committee, proposals for corrective action to eliminate the causes and conditions, which make such violations of the financial and business disciplines possible, as well as proposals for the improvement of the Company's internal control system and performance;
- protect the confidentiality of any information that constitutes a business or trade secret of the Company.

6.6. The members of the governing bodies of the Company, officers and other employees of the Company shall be obliged to cooperate with the Audit Committee during audits and shall provide all relevant information, documents, materials, and explanations to the members of the Audit Committee within the requested time period and in the appropriate quantity.

The members of the governing bodies of the Company, officers and other employees of the Company shall be held liable for refusing to provide information or for the provision of any incorrect or incomplete information, and for otherwise impeding the Audit Committee.

6.7. During audits (revisions), officers and other employees of the Company may:

- be present during an inventory of any property in their custody, productivity measurement and performance evaluation, inspections, and other activities of the Audit Committee;
- familiarize themselves with the intermediate and final audit (revision) reports, which related to their work, and to submit written explanations and objections to said reports;
- familiarize themselves with the account books, reports, and other documents, which form the basis for the findings of violations, abuses and any shortcomings in their work;
- verify the Audit Committee's calculations of the amounts of compensatory damages and submit written objections, documents and other evidence in support of such objections.

6.8. Following an audit of the financial and business activities of the Company, the Audit Committee will prepare a report, which will confirm the reliability of the data presented in the Company's reports and other financial documents and will list any violations found with respect to the rules and procedures of accounting and financial reporting and the rights

and legitimate interests of the Company and its shareholders.

6.9. The members of the Company's Audit Committee have a duty to take all necessary measures to identify potential violations and help elimination them. The members of the Company's Audit Committee shall be held responsible for the objectivity and integrity of their audits (revisions), failure to perform or improper performance of any other duties, and any abuse of rights and authority.

#### **Article 7. Financial support for the Audit Committee and remuneration of its members**

7.1. In order to support the role, responsibilities and duties of the Audit Committee, the Company will provide the Audit Committee with the necessary office and meeting space, technical resources and materials and will pay authorized expenses of the Audit Committee within the limits of the funds appropriated by the Board of Directors for this purpose.

7.2. Shareholders may decide, at a General Meeting, to pay a remuneration to the members of the Company's Audit Committee and (or) to pay a compensation for the expenses incurred by them in the discharge of their duties as members of the Audit Committee during the term of their appointment. The amount of such remuneration and compensation shall be advised by the Board of Directors and approved by resolution of the General Meeting of the Company.

#### **Article 8. Final provisions**

8.1. These Provisions shall become effective on the date of approval by the General Meeting.

8.2. If an applicable law of the Russian Federation is amended, any terms set forth in these Provisions that are in conflict with the law shall be null and void and the Audit Committee shall governed by the applicable law of the Russian Federation and the Articles of Association of the Company.

Amendments and modifications to these Provisions shall be made by resolution of the General Meeting.

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