

**APPROVED**  
**by the Board of Directors**  
**of OJSC «SIBUR Holding»**  
**September 6, 2012**  
**(Minutes No. 158)**

**CODE**  
**OF CORPORATE CONDUCT OF OJSC «SIBUR Holding»**

**(version No. 4)**

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## **TABLE OF CONTENTS**

1. General Provisions .....	3
2. General Principles of Corporate Conduct .....	3
3. Corporate Governance Structure of the Company .....	3
4. Shareholders of the Company .....	4
5. Board of Directors of the Company .....	5
5.1. General Provisions .....	5
5.2. Members of the Board of Directors of the Company .....	6
5.3. Requirements placed on a member of the Board of Directors of the Company .....	7
5.4. Organizing the work of the Board of Directors of the Company .....	7
5.5. Competence of the Board of Directors of the Company .....	7
5.6. Committees of the Board of Directors of the Company .....	7
6. Executive bodies of the Company .....	8
7. Remuneration of the members of the Board of Directors and executive bodies of the Company .....	8
8. Secretary of the Board of Directors .....	9
9. Controlling financial and business activities of the Company .....	9
9.1. Audit Commission of the Company .....	9
9.2. Audit Committee of the Board of Directors .....	9
9.3. Human Resources and Remunerations Committee of the Board of Directors .....	10
9.4. Auditor of the Company .....	10
10. Relationship of the Company with subsidiary and dependent companies .....	10
11. Transactions of the Company with its subsidiaries .....	10
12. Disclosure of information, confidential information, insider information .....	10
13. Final Provisions .....	11

## **1. General Provisions**

This Code of Corporate Conduct of OJSC «SIBUR Holding» (hereafter, the "Code") was drafted in accordance with the applicable laws of the Russian Federation, the Charter of OJSC «SIBUR Holding» (hereafter, the "**Company**"), generally accepted principles of corporate conduct and conditions of activities of the Company.

This Code is intended to ensure the provision by the Company of conditions for the effective implementation by the shareholders of their rights and legitimate interests, transparency of the decision-making process, information openness, as well as effective activities of the Company and its investment attractiveness, including the increase in the value of net assets of the Company and maintaining financial stability and profitability of the Company.

With the development of its corporate governance practices, the Company will seek to improve the principles of its corporate governance and provisions contained in this Code.

## **2. General Principles of Corporate Conduct**

The Company will seek to improve its corporate governance in accordance with the principles that ensure the following:

- Real opportunity of shareholders to exercise their rights related to participation in the Company;
- Equal treatment of the Company's shareholders, including minority shareholders, and protection of their rights;
- Strategic management of the Company by the Board of Directors and its effective control over the activities of executive bodies of the Company, as well as the accountability of the Board of Directors to the General Shareholders' Meeting;
- Implementation by the executive bodies of the Company of the effective management of its current activities in a reasonable manner, in good faith and solely in the interests of the Company, and their accountability to the General Shareholders' Meeting and the Board of Directors;
- Timely disclosure of reliable information about the Company in order to enable informed decision-making by the shareholders of the Company and investors to the extent provided by applicable laws, the Charter and internal documents of the Company ;
- Effective control over the financial and business activities of the Company, including in order to ensure the rights and legitimate interests of the shareholders;
- Active cooperation of the Company with the investors, creditors and other interested parties in order to increase the net assets of the Company, the value of shares and other securities of the Company.

The Company recognizes the importance of improving the corporate governance of its subsidiary and dependent companies, and will seek to ensure the openness and transparency of the activities of the said companies, as well as practical implementation in their activities of the general principles of this Code.

## **3. Corporate Governance Structure of the Company**

The corporate governance of the Company shall be carried out by the General Shareholders' Meeting, the Board of Directors, the Management Board and the One-person Executive Body of the Company.

Subject to a resolution of the General Shareholders' Meeting of the Company, the powers of the One-person Executive Body of the Company may be transferred to a management organization.

#### **4. Shareholders of the Company**

The shareholders of the Company have the aggregate of rights with regard to the Company, the observance and implementation of which shall be ensured by the Board of Directors and the executive bodies of the Company.

The shareholders shall be provided with reliable and effective ways to record their title to the shares, as well as the opportunity of a free and prompt disposal of shares at their sole discretion and other actions with their shares, which are not contrary to the law and do not violate the rights and legally protected interests of other parties.

The Company shall facilitate the provision of these rights, including by the fact that the registration of title, record-keeping and maintenance of the register of shareholders of the Company shall be provided by the registrar with the appropriate technical equipment and control systems and impeccable reputation in the securities market.

The shareholders may participate in the management of the Company by attending the General Shareholders' Meetings held in the form of concurrent attendance and in the form of voting in absentia, and by adopting the resolutions on the matters in the agenda of the General Shareholders' Meetings. To ensure the appropriate observance and protection of the said right, the Company shall have the Regulations of the General Shareholders' Meeting approved by the General Shareholders' Meeting of the Company, which, in particular, include the following provisions:

- The procedure for notifying the shareholders of the Company about the General Shareholders' Meeting that provides for advance sending of a notice of a meeting by the registrar;
- Enabling shareholders owning no less than one (1) percent of the shares of the Company to review the list of persons entitled to participate in the General Shareholders' Meeting within the time frames established by law for providing the shareholders with materials on matters in the agenda of the meeting;
- Determining the place of the General Shareholders' Meeting in order to enable the shareholders to participate in such meeting, and specifying such place in the notice of the meeting;
- The shareholders owning in aggregate no less than ten (10) percent of the voting shares of the Company may request to convene a General Shareholders' Meeting, and the shareholders owning in aggregate no less than two (2) percent of the voting shares of the Company may submit proposals for the agenda of the General Shareholders' Meeting and nominate candidates to the Board of Directors and the Audit Commission of the Company. When using the aforementioned rights, the documents confirming the existence of such rights for the shareholders shall be the notarized (and in the event of documents in a foreign language and in accordance with foreign law, duly legalized) copies of documents confirming the authority of the person signing the corresponding request or proposal, and when the shares are recorded in a securities account, the original of the statement for the relevant account.

The shareholders shall have the right to receive a part of the net profit of the Company in the form of dividends. The Company shall seek to ensure that the procedure for determining the amount of the dividends and procedure for their payment fully conform to the interests of shareholders.

The shareholders shall have the right to receive regular and timely information on the activities of the Company to the extent provided by applicable laws, the Charter and internal documents of the Company.

To ensure the appropriate observance and implementation of the said right, the Company shall guarantee the following:

- Compliance with the requirements on the disclosure of information established by the applicable laws;
- Providing the shareholders with the necessary information on each matter in the agenda during the preparation for the General Shareholders' Meeting along with an indication to which matter in the agenda they refer;

- In a timely manner, no less than twenty (20 ) days, and in the event of a General Shareholders' Meeting where the agenda includes a question of reorganization of the Company, no later than 30 (thirty) days prior to the General Shareholders' Meeting (or a deadline for acceptance of ballots), providing shareholders with an opportunity to review the materials on matters in the agenda;

- Providing within two (2) business days, upon the request of a shareholder, copies of all materials on matters in the agenda of the General Shareholders' Meeting, and providing, under agreement with the shareholder, the materials via e-mail;

- Preparing the annual report of the Company in accordance with the applicable laws and in a form that allows the evaluation of the results of Company activities for the financial year, including a copy of the annual financial statements, the findings of the Audit Commission and the report of the Auditor of the Company;

- Availability of the Secretary of the Board of Directors, whose functions shall include the provision of shareholders' access to information on the Company;

- Posting of information disclosed by the Company in accordance with the applicable laws of the Russian Federation, and other information about the Company on the official website (page) of the Company.

The shareholder(s) of the Company, owning in aggregate no less than twenty-five (25) percent of the voting shares of the Company, as well as his (their) authorized representatives may obtain from the Company the documents and information that must be provided to the members of the Board of Directors and the members of the Audit Commission of the Company, and also have the right of access to other documents of the Company in accordance with clause 1 of Article 91 of the Federal Law "On Joint-Stock Companies" and the Charter of the Company and other internal documents of the Company.

The shareholders should not abuse their rights. No acts of the shareholders intended solely to cause harm to other shareholders or the Company and no abuse of rights in any other form shall be permitted.

## **5. Board of Directors of the Company**

### **5.1. General Provisions**

The Board of Directors of the Company shall carry out the general management of the Company, aimed at maintaining and increasing the value of shares and the net assets of the Company, and realization by the shareholders of their rights.

The Board of Directors shall proceed from the need to act fairly with regard to all shareholders and consider their interests when adopting the resolutions. The Board of Directors shall ensure the establishment of a system for identifying and resolving potential conflicts of interest.

The Board of Directors of the Company shall ensure the appropriate functioning of the system for disclosure and distribution of information about the Company.

The Board of Directors of the Company shall ensure the formation and implementation of the development strategy of the Company.

The Board of Directors of the Company shall establish and maintain the necessary controls over the activities of executive bodies of the Company, including monitoring and evaluation of its results.

The Board of Directors of the Company shall develop a transparent system for evaluation of its activities in general and for each member of the Board of Directors separately, as well as a transparent system of remuneration and compensation of expenses of the members of the Board of Directors related to the performance of their functions, and shall submit them to the General Shareholders' Meeting for approval.

## **5.2. Members of the Board of Directors of the Company**

The Chairman of the Board of Directors shall head the Board of Directors of the Company and shall be responsible for organizing the work of the Board of Directors of the Company.

The number of members on the Board of Directors of the Company must ensure its efficient operation, combine the representatives of different groups of shareholders and consider different interests and points of view when adopting its resolutions.

The number of members on the Board of Directors of the Company shall be determined by the General Shareholders' Meeting, but must be no less than seven ( 7 ) members.

To ensure the objectivity of adopted resolutions and a balance between the interests of different groups of shareholders, the Company will seek to ensure that the Board of Directors of the Company includes no less than one (1 ) independent director.

A member of the Board of Directors of the Company shall be independent if he:

- during the last five (5) years, has not been an official (manager) or employee of the Company, the management organization, shareholders of the Company that are affiliates of the Company, and/or its subsidiary and dependent companies;
- during the last three (3) years, has not been a major counterparty of the Company (a counterparty that has an aggregate volume of transactions with the Company during the year in the amount of ten (10) percent or more of the book value of Company's assets);
- has not received and is not receiving any remuneration for the provision of services to the Company and management organization, excluding remuneration for activities as a member of the Board of Directors;
- is not an official of another business entity where any of the officials of the Company is a member of the Human Resources and Remunerations Committee of the Board of Directors ;
- is not affiliated with an official of the Company or an official of the management organization;
- is not and has not been for the last year an affiliate of the Company, excluding a member of the Board of Directors of the Company ;
- is not and has not been for the last year a person whose spouse, parents, children, full and half brothers and sisters, adoptive parents and adopted children are individuals holding positions in management bodies of the Company, the management organization of the Company or are the managers of the Company, and also are the consultants of the Company providing services to the Company under a contract;
- is not a representative of the state ;
- is not the representative of a major shareholder, meaning a person elected to the Board of Directors from among the candidates nominated by a shareholder of the Company, owning (together with its affiliates) more than twenty (20) percent of the voting shares of the Company, if such member of the Board of Directors votes under the written directives (instructions) of such shareholder;
- is not a party to the obligations of the Company, which allow him/her to acquire any property (receive monetary funds) with the value of ten (10) percent or more of his/her gross annual income, except as remuneration for participating in the activities of the Company's Board of Directors;
- is not the final beneficiary, controlling more than 20% of the shares of the Company.

A member of the Board of Directors, who formally belongs to the category of independent director, may not be included in the list of independent directors of the Board of Directors by resolution of the Board of Directors of the Company based on an evaluation of his relationship with the Company's officials, major counterparties and shareholders of the Company and other relationships that may affect the independence of his judgment.

Following a 7-year term of office as a member of the Board of Directors, an independent director shall not be regarded as independent.

If following any event the member of the Board of Directors of the Company, elected to the Board of Directors as an independent, ceases to comply with the criteria of independence, he shall announce the loss of such status to the Board of Directors within five (5) business days after losing the status of an independent member of the Board of Directors.

### **5.3. Requirements placed on a member of the Board of Directors of the Company**

A member of the Board of Directors of the Company, acting in his capacity as such, shall:

- Carry out his activities in the interests of the Company in a reasonable manner and in good faith;
- Have a sufficient amount of time for effective performance of his duties as a member of the Board of Directors;
- Express his opinion and defend it, if he believes that it is in the interests of the Company;
- Disclose information on his interest in the transactions of the Company in cases and in the manner provided by applicable laws, the Charter and internal documents of the Company.

A member of the Board of Directors of the Company may not use his participation in the Board of Directors of the Company in order to lobby, directly or indirectly, his private interests in the Company.

When making decisions on holding concurrent positions in the management bodies of other organizations, a member of the Board of Directors of the Company shall proceed from the fact that he can properly act as a member of the Board of Directors of the Company only when having a sufficient amount of time.

### **5.4. Organizing the work of the Board of Directors of the Company**

The procedure for calling and holding meetings of the Board of Directors of the Company shall be governed by the Regulations of the Board of Directors, approved by the General Shareholders' Meeting.

The Board of Directors of the Company shall hold its meetings, as a rule, no less than on one (1) occasion per quarter. No less than one (1) meeting shall be devoted to the development strategy of the Company, the investment program and to the approval of the business plan (budget) of the Company for the next financial year.

Meetings of the Board of Directors of the Company may be held both in the form of concurrent attendance by the members of the Board of Directors and in absentia (by polling). A resolution on the form of the meetings of the Board of Directors of the Company shall be adopted by its Chairman.

To ensure their effective work, the members of the Board of Directors of the Company shall have access to all information about the Company that is necessary to adopt the resolutions.

### **5.5. Competence of the Board of Directors of the Company**

The competence of the Board of Directors of the Company, including a list of issues related to the exclusive competence of the Board of Directors, shall be defined by the Charter of the Company.

### **5.6. Committees of the Board of Directors of the Company**

To deal with separate tasks faced by the Company, the Board of Directors of the Company may form committees, including the Audit Committee, the Human Resources and Remunerations Committee and others.

A committee of the Board of Directors of the Company shall operate under the regulations approved by the Board of Directors of the Company.

The members of the committees of the Board of Directors of the Company shall be appointed by the Board of Directors of the Company.

A committee of the Board of Directors of the Company shall meet as necessary and in accordance with the relevant Regulations approved by the Board of Directors.

The committees of the Board of Directors of the Company may hold joint meetings.

## **6. Executive Bodies of the Company**

To ensure the operational management of the Company, the Board of Directors of the Company shall establish the executive bodies of the Company, such as the collective executive body (Management Board) and the One-person Executive Body of the Company.

Subject to a resolution of the General Shareholders' Meeting of the Company, the powers of the One-person Executive Body may be transferred to a management organization. The Board of Directors of the Company may adopt a resolution on the suspension of powers of the management organization and convening of an Extraordinary General Shareholders' Meeting in accordance with applicable laws.

The executive bodies of the Company shall be accountable to the General Shareholders' Meeting of the Company and the Board of Directors of the Company.

The executive bodies of the Company shall consider as their main purpose the conscientious and competent performance of obligations with regard to the management of the current activities of the Company that ensures the long-term profitability of the Company.

To achieve this purpose, the executive bodies shall first resolve the tasks aimed at implementing the goals, strategies and policies of the Company and also shall execute in good faith, in a timely manner and effectively the resolutions of the Board of Directors and the General Shareholders' Meeting of the Company.

The One-person Executive Body (management organization) shall be responsible for the organization, condition and reliability of the accounting records in the Company, the timely submission of the annual report and other financial statements to the relevant authorities, as well as the information about the Company provided to the shareholders, creditors and the media.

The activities of the Management Board and the One-person Executive Body (management organization) shall be governed by the Charter of the Company, the Regulations of the Management Board approved by the General Shareholders' Meeting and other internal documents of the Company.

The Management Board and the One-person Executive Body of the Company (management organization) shall regularly provide information to the Board of Directors on all major issues of the business activities, including information on the implementation of the development strategy of the Company, profitability of the Company and its subsidiaries, as well as reports on performance of the annual business plans (budgets) and investment programs of the Company.

## **7. Remuneration of the members of the Board of Directors and executive bodies of the Company**

The Board of Directors of the Company shall approve the system and amount of remuneration of the member of the Management Board and the One-person Executive Body of the Company (management organization) and, in accordance with established procedure, shall submit the system of the remuneration of the members of the Board of Directors of the Company to the General Shareholders' Meeting for approval.

The system of remuneration shall be transparent and understandable to shareholders. The annual report of the Company shall include information on the total amount paid as remuneration and compensation to the members of the Board of Directors of the Company.



In drafting its recommendations to the General Shareholders' Meeting on the issue of remuneration to the members of the Board of Directors, the Board of Directors shall be guided by the following principles:

- The amount of remuneration shall be determined by the need to engage highly skilled specialists and ensure their participation in the work of the Company, and motivate them for conscientious and effective activities;
- Competitiveness of the remuneration for the members of the Board of Directors in comparison with other organizations operating in similar conditions;
- Participation of the members of the Board of Directors of the Company in the committees of the Board of Directors shall be considered in drafting the recommendations for paying the remuneration to such members of the Board of Directors;

The Board of Directors may recommend that the General Shareholders' Meeting adopt a resolution on the payment of remuneration both in cash and in kind.

## **8. Secretary of the Board of Directors**

In order to ensure the strict compliance by the bodies and officials of the Company with the procedures established by the applicable laws, the Charter of the Company and internal documents of the Company, the Board of Directors of the Company shall appoint the Secretary of the Board of Directors.

The Secretary of the Board of Directors shall report to the Board of Directors of the Company. The activities of the Secretary of the Board of Directors shall be directly supervised by the Chairman of the Board of Directors of the Company.

## **9. Controlling financial and business activities of the Company**

### **9.1. Audit Commission of the Company**

To control the financial and business activities of the Company, the applicable laws provide for the establishment of the Company's Audit Commission.

The members of the Audit Commission shall be elected by the General Shareholders' Meeting of the Company. In selecting their candidates for the Audit Commission, the shareholders of the Company must take a responsible approach to the assessment of professional qualities of the candidates.

The activities of the Audit Commission of the Company shall be governed by the Charter and the Regulations of the Audit Commission approved by the General Shareholders' Meeting of Company.

The Audit Commission shall conduct the audits of the financial and business activities and form an independent qualified opinion about the state of affairs in the Company. The conclusions of the Audit Commission shall be communicated to the Company's shareholders at the General Shareholders Meeting in the form of findings of the Audit Commission as part of the annual report of the Company.

The Audit Commission shall audit the functioning of the internal controls and management and risk management systems and shall report the results of its audit in the findings handed over to the shareholders along with other documents prior to the annual meeting.

In its activities, the Audit Commission shall not be bound by the opinions and instructions of the officials of the Company and shall act independently.

### **9.2. Audit Committee of the Board of Directors**

To exercise effective direct control over the financial and business activities of the Company, by the Board of Directors, the Board of Directors shall establish an Audit Committee.

The activities of the Audit Committee shall be governed by the Regulations of the Audit Committee approved by the Board of Directors of the Company.

### **9.3. Human Resources and Remunerations Committee of the Board of Directors**

To engage the qualified specialists in the management of the Company and create the necessary incentives for their successful work, the Board of Directors shall establish a Human Resources and Remunerations Committee.

The activities of the Human Resources and Remunerations Committee shall be governed by the Regulations of the Human Resources and Remuneration Committee approved by the Board of Directors of the Company.

### **9.4. Auditor of the Company**

The auditor of the Company shall be approved by the General Shareholders' Meeting of the Company based on the proposals of the Board of Directors.

## **10. Relationship of the Company with subsidiary and dependent companies**

As a shareholder (partner) of subsidiary and dependent companies, the Company shall perform its relationship with the subsidiary and dependent companies in accordance with the requirements of applicable laws of the Russian Federation on joint-stock companies, limited liability companies, the Charter of the Company, the charters of subsidiary and dependent companies, and the provisions of internal documents of the Company.

The position of the Company on the matters in the agenda of the general shareholders' (members') meetings and the meetings of the boards of directors of subsidiary and dependent companies shall be determined in accordance with the Charter of the Company and other internal documents of the Company.

## **11. Transactions of the Company with its subsidiaries**

The procedure for major non arm's-length transactions of the Company with its subsidiaries shall be implemented in accordance with the requirements of applicable laws of the Russian Federation, the Charter of the Company and the charters of its subsidiaries.

## **12. Disclosure of information, confidential information, insider information**

The general principles of the information policy of the Company shall be the completeness, promptitude, objectivity and reliability of disclosed information about the Company and ensuring free and easy access to such information.

The information disclosed by the Company in accordance with the applicable laws of the Russian Federation, and other information about the Company shall be posted on the official website of the Company.

The Company shall ensure timely and accurate disclosure of all material matters of its activities by following the requirements established by the applicable laws of the Russian Federation and voluntarily disclosing additional information.

The Company shall provide its annual report to the shareholders on an annual basis. The composition of the information disclosed in the annual report shall be determined by the Board of Directors of the Company by taking into account the requirements of the applicable laws of the Russian Federation and international practices.

The information that constitutes official or trade secrets and insider information must be protected.

The list of information that constitutes official or trade secrets, rules of access to and use of such information, and responsibility for violation of the established rules shall be defined by the appropriate internal documents of the Company.

The definition of the insider information, the list of insider information, procedure of access to and use of insider information, rules of protecting the confidentiality of insider information shall be established by the applicable laws, the Charter of the Company, the Regulations of insider information of OJSC SIBUR Holding, as approved by the Board of Directors and other internal documents of the Company.

In order to protect information that constitutes official or trade secrets and insider information, the Company will take the necessary measures aimed at including the non-disclosure provisions with regard to such information in the contracts concluded with the officials, employees, consultants of the Company and other parties.

The members of the Board of Directors, the members of the Management Board, the One-person Executive Body of the Company (management organization) shall be required to disclose information on the ownership of securities of the Company, as well as on their sale and/or purchase of securities of the Company in accordance with applicable laws, the Charter of the Company, the Regulations of insider Information of OJSC SIBUR Holding and other internal documents of the Company.

### **13. Final Provisions**

This Code shall become effective from the date of its approval by the Board of Directors of the Company and shall be published on the official website (page) of the Company.