

APPROVED BY
The Board of Directors
of PJSC SIBUR Holding
Minutes No. 176 of December 16, 2014

THE CODE
OF CORPORATE CONDUCT OF PJSC SIBUR HOLDING

(Revision No. 5)

Tobolsk
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1. General Provisions

This Code of Corporate Conduct of PJSC SIBUR Holding (hereinafter referred to as the Code) has been drawn up in accordance with the applicable laws of the Russian Federation, the Articles of Association of PJSC SIBUR Holding (hereinafter referred to as the Company), universally recognized principles of corporate conduct, and the terms of operation of the Company.

This Code is designed to ensure that conditions are created by the Company for the effective exercise by shareholders of their rights and legitimate interests, for transparent decision-making, informational openness, as well as for effective operation and investment appeal, which include a rising net asset value and maintaining the financial stability and profitability of the Company.

The Company will strive to continually improve its corporate governance principles and the terms and provisions contained in this Code in line with best corporate governance practices.

2. Basic Principles of Corporate Conduct

The Company will strive to continually improve its corporate governance in line with principles that promote:

- 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's activities and effective supervision over the Company's executive bodies by the Board of Directors, as well as the accountability of the Board of Directors to the General 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 Articles of Association 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 continually improving the corporate governance of its subsidiary companies and will strive to ensure openness and transparency in the operations of said companies, as well as to instill in them the fundamental principles of this Code.

3. Company's Corporate Governance Structure

The Company's corporate governance is exercised through the General Meeting, the Board of Directors, the Management Board and the Sole Executive Body of the Company.

Subject to a resolution of the General Shareholders' Meeting of the Company, the powers of the Sole Executive Body can be transferred to a management.

4. Company Shareholders

The Company's shareholders have a range of rights with respect to the Company. The Board of Directors and the executive bodies of the Company are responsible to ensure that these rights are protected and upheld.

Shareholders shall be provided with reliable and effective methods of registering their ownership rights to shares, as well as with the opportunity to dispose of their own shares easily, at their sole discretion and quickly, and to otherwise deal in and with their own shares, provided that such dealings do not conflict with any statute or law and do not violate the rights and legal interests of other persons.

The Company shall promote these rights, including, without limitation, by having the shareholder register maintained and stored by a registrar that possesses the appropriate technical means and a control system, as well as an impeccable reputation in the securities market.

Shareholders have the right to participate in the management of the Company through participation in General Meetings, by personal attendance and by voting in absentia, and by passing resolutions on the items on the General Meeting agenda. In order to ensure the proper observance and protection of said right, the Company shall adopt Regulations regarding the General Meeting, which will be approved by the General Meeting and will include, but will not be limited to, the following provisions:

- the procedure for notifying Company shareholders on General Meetings by giving advance notice of a meeting;
- allowing shareholders holding at least one (1) percent of the Company's shares to obtain and review the list of persons entitled to participate in the General Meeting within the time prescribed by law for the provision of the materials on a meeting agenda to shareholders;
- the venue for the General Meeting shall be determined in a way that will provide shareholders the opportunity to participate in the meeting and will be indicated in the notice of the meeting;
- Shareholders holding together at least ten (10) percent of the Company's voting shares have the right to call a General Meeting, and shareholders holding together at least two (2) per cent of the Company's voting shares have the right to propose agenda items for the General Meeting and to nominate candidates for the Board of Directors and the Audit Commission of the Company. To prove their entitlement to the above right, a shareholder must have notarized (and duly legalized, if the documents are in a foreign language and in accordance with foreign law) copies of documents that confirm the authority of the person signing a call or proposal and, if the shares are registered in a securities account, the original account statement.

Shareholders are entitled to share in the net profits of the Company in dividends. The Company strives to ensure that the procedure used to determine the dividend rate and the terms and conditions of payment fully serve the interests of its shareholders.

Shareholders have the right to receive regular and timely information on the Company's activities to the extent permitted by applicable law, the Articles of Association and the internal documents of the Company.

In order to ensure the proper observance and protection of this right, the Company represents and warrants that it shall:

- meet all of the legal requirements concerning the disclosure of information;
- during preparations for a General Meeting, make all relevant information on each agenda item available to shareholders and the materials distributed will indicate the agenda items they pertain to;
- make materials on the agenda items available for shareholders' review in a timely manner: no later than twenty (20) days before the date of the General Meeting, and no later than thirty (30) days before the date of the meeting (or the deadline for the submission of ballots) if the General Meeting's agenda includes the Company's reorganization;
- upon request of a shareholder, provide copies of all materials on the agenda items of a General Meeting within two (2) working days, as well as provide materials by e-mail as agreed upon with the shareholder;
- prepare the Company's annual report in conformity with the applicable law and in a form that provides a good understanding of the Company's results over the fiscal year, including a

copy of the annual financial statements, and the reports of the Audit Commission and the Company's Auditor;

- ensure that the Secretary of the Board of Directors is responsible to provide shareholders access to Company information;
- post the information disclosed by the Company in compliance with the applicable law of the Russian Federation, as well as other Company information, on the Company's official website (web page) on the Internet.

Shareholders (a shareholder) representing at least twenty five percent (25%) of the Company's voting shares, as well as their duly authorized proxies, are entitled to receive from the Company the same documents and information that are provided to the members of the Board of Directors and to the members of the Audit Commission, and may access other documents of the Company in accordance with Paragraph 1 of Article 91 of Federal Law on Joint Stock Companies, the Articles of Association and other internal documents of the Company.

The Company expects that shareholders will not misapply the rights granted to them or undertake anything solely with the purpose of inflicting harm upon other shareholders or the Company or otherwise misapply their rights.

5. The Board of Directors

5.1. General Provisions

The Board of Directors has general charge and control of the Company's activities aimed at maintaining and increasing the value of the Company's shares and net assets and upholding the rights of shareholders.

The Board of Directors shall recognize the need to treat all shareholders fairly and to consider their interests when making decisions. The Board of Directors shall provide a system for the identification and resolution of potential conflicts of interest.

The Board of Directors shall ensure the proper functioning of the system for disclosure and dissemination of information on the Company's activities.

The Board of Directors shall ensure the formulation and implementation of the Company's growth strategy.

The Board of Directors shall create and maintain the necessary mechanisms of control over the activities of the Company's executive bodies, including performance monitoring and results assessment.

The Board of Directors shall develop a transparent system for the assessment of own activities, of the entire Board and of each Board member individually, as well as a transparent system of remuneration and compensation for the expenses incurred in connection with the performance of functions as Board members, and shall present them to the General Meeting for approval.

5.2. The Composition of the Board of Directors

The Chairman of the Board of Directors leads the Board and is responsible for supporting the work of the Board.

The Board of Directors shall have an adequate number of members to ensure effective operation of the Board, represent the various groups of shareholders and consider their different interests and viewpoints when formulating resolutions.

The size on the Board of Directors shall be determined by resolution of the General Meeting, but the Board cannot have fewer than seven (7) members.

To ensure objectivity in decision-making and to maintain a balance between the interests of the different groups of shareholders, the Company will seek to ensure that there is at least one (1) independent director on the Board.

A member of the Board of Directors is independent if he or she:

- over the last five (5) years, has not served as an officer (manager) at the Company, its management organization, or with shareholders who are affiliates of the Company and/or at its subsidiaries;
- over the last three (3) years, has not been a major contractor of the Company (i.e., the total transactions between the Company and such contractor did not achieve or exceed ten (10) percent of the book value of the Company's assets in one year of the period);
- has not received and is not receiving any remuneration for any services for the Company and its managing organization, with the exception of the remuneration received as a member of the Board of Directors of the Company;
- is not an officer of any other business organization where any officer of the Company is a member of the Board of Directors' Human Resources and Remuneration Committee;
- is not an affiliate of any officer of the Company or any officer of its management organization;
- is not and has not been in the past year an affiliate of the Company, with the exception of a member of the Board of Directors of the Company;
- is not and has not been in the past year a person whose spouse, parents, children, siblings and half siblings, adoptive parents, and adoptees are holding positions on the governing bodies of the Company or the managing organization of the Company, or are the Company's CEO, or consultants providing services to the Company under a contract;
- is not a government agent;
- does not represent a major shareholder, that is, a person elected to the Board of Directors from among the candidates nominated by a shareholder who (together with its affiliates) represents more than twenty (20) percent of the voting shares of the Company and where the voting of such member of the Board of Directors is based on written directives (voting instructions) from such shareholder;
- is not a party to any obligations with the Company, under which they may be entitled to property (money) worth ten (10) percent or more of their total annual income, exclusive of the remuneration received for participating in the Board of Directors of the Company;
- and is not the ultimate beneficiary owner controlling more than 20 percent of the Company's shares.

The Board of Directors may decide not to include a Board member, who formally meets the criteria of independence, after reviewing his or her relationship with the officers, major contractors and shareholders of the Company, and any other relationships that may affect his or her independent judgment.

After serving on the Board of Directors for seven years, an independent director can no longer be considered independent.

Should any member of the Board of Directors who has been elected by the Board of Directors as an independent director ceases to meet the criteria of independence as a result of any event, he or she shall declare the loss of such status to the Board of Directors within five (5) working days of the loss of the status of an independent member of the Board of Directors.

5.3. Requirements for a Member of the Board of Directors

A member of the Board of Directors of the Company, while acting as such, shall:

- discharge their actions in good faith and prudently, in the best interest of the Company;
- be free to perform their duties as a member of the Board of Directors effectively;
- express their opinion and defend it, if they believe that it serves the best interest of the Company;
- disclose having any interest in any transaction of the Company in the cases and in the manner prescribed by applicable law, the Articles of Association and the internal documents of the Company.

A member of the Board of Directors shall not have the right to use his or her Board membership to promote, whether directly or indirectly, their private interest in the Company.

When deciding on combining his or her position with a position in a governing body of another organization, a member of the Board of Directors must consider that they can fulfill their functions as a member of the Board of Directors adequately only if they have enough time to do so.

5.4. Organization of the Work of the Board of Directors

The procedure for calling and holding meetings of the Board of Directors is detailed in the Regulations regarding the Board of Directors approved by the General Meeting.

As a general principle, the Board of Directors shall meet at least once (1 time) per quarter. Furthermore, at least one (1) meeting shall be dedicated to the Company's growth strategy, as well as to review the investment program and to approve the business plan (budget) of the Company for the next fiscal year.

The members of the Board of Directors can participate at Board meetings by personal attendance or vote by post (by poll). The decision on the format of each meeting of the Board of Directors shall be made by the Board Chairman.

To ensure the Board of Directors can work effectively, the members of the Board of Directors should have access to all information concerning the Company essential for decision-making.

5.5. The Competence of the Board of Directors

The Company's Articles of Association determine the competence of the Board of Directors and the list of matters which fall within the exclusive competence of the Board of Directors.

5.6. Committees of the Board of Directors

To deal with individual tasks of the Company, the Board of Directors may form respective committees, including an audit committee, a human resources and remuneration committee, etc.

A committee of the Board of Directors shall act on the basis of the Regulations for such committee, as approved by the Board of Directors.

The Board of Directors shall be responsible to appoint members of a committee of the Board of Directors.

A committee of the Board of Directors shall convene on an as-needed basis and as prescribed by the relevant committee regulations approved by the Board of Directors.

Committees of the Board of Directors may hold joint meetings.

6. The Executive Bodies of the Company

For the purposes of the operating management of the Company, the Board of Directors shall form the executive bodies of the Company: the collective executive body (the Management Board) and the Sole Executive Body of the Company.

The powers vested in the Sole Executive Body can be transferred to a management organization by resolution of the General Meeting. The Board of Directors shall have the right to pass resolution to suspend the powers of the managing organization and to convene an extraordinary General Meeting in accordance with applicable law.

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

The main goal of the Company's executive bodies shall be to perform their duties of running the day-to-day operations of the Company faithfully and competently, and in a way that ensures long-term profitability of the Company.

To achieve this, the executive bodies shall primarily deal with the tasks of implementing the goals, strategies and policies of the Company, as well as execute the resolutions of the Board of Directors and the General Meeting in a faithful, timely and efficient manner.

The Company's Sole Executive Body (management organization) shall be responsible for the organization, maintenance and reliability of the Company's financial and tax accounting, for timely submission of the annual report and other financial statements to competent authorities and for disclosure of the Company's activities to shareholders, creditors and the mass media.

The Management Board and the Sole Executive Body (managing organization) of the Company shall be governed by the Company's Articles of Association, approved by the General Meeting, and other internal documents of the Company.

The Management Board and the Sole Executive Body of the Company shall be elected by the Board of Directors based on the selection criteria established by the Board of Directors' Human Resources and Remuneration Committee.

The Management Board and the Sole Executive Body of the Company shall provide the Board of Directors, on a regular basis, information on all key business matters, including progress in implementing the Company's growth strategy, the profitability of the Company and its subsidiaries, as well as reports on the Company's annual business plans (budgets) and investment programs.

7. Remuneration of the Members of the Board of Directors and the Executive Bodies

The Company's Board of Directors shall approve the system and amount of remuneration for the Management Board members and the Sole Executive Body (managing organization) of the Company and shall submit the remuneration system for the Board of Directors, in the prescribed manner, to the General Meeting for approval.

The remuneration system should be transparent and easy to understand for shareholders. The Company's annual report shall include the total amount paid as remunerations and compensations to the members of the Board of Directors.

When preparing the recommendations to the General Meeting on the remuneration of the Board of Directors, the Board of Directors shall be guided by the following principles:

- the remuneration is determined based on the need to engage highly qualified professionals and to provide incentives for faithful and effective work;
- the competitiveness of the remuneration for the Board of Directors compared to other organizations in similar conditions;
- the recommendations on remuneration for the Board of Directors should also consider the involvement of some members of the Board of Directors in the committees of the Board of Directors.

The Board of Directors can recommend to the General Meeting to pass resolution on monetary or non-monetary remunerations.

8. The Secretary of the Board of Directors

The Board of Directors shall appoint the Secretary of the Board of Directors in order to ensure strict compliance by the bodies and officers of the Company with the procedures prescribed by the applicable law, the Articles of Association and the internal documents of the Company.

The Secretary of the Board of Directors shall report to the Board of Directors. The Chairman of the Board of Directors shall be the direct supervisor of the Secretary of the Board of Directors.

9. Control over the Company's Financial and Business Activities

9.1. The Audit Commission

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. The Audit Committee of the Board of Directors

The Board of Directors shall form an Audit Committee to ensure effective and direct control by the Board of Directors over the financial and business activities of the Company.

The Audit Committee shall be governed by the Regulations regarding the Audit Committee approved by the Company's Board of Directors.

9.3. The Human Resources and Remuneration Committee of the Board of Directors

To engage qualified professionals to manage the Company and create the necessary incentives for successful work, the Board of Directors shall form a Human Resources and Remuneration Committee.

The Human Resources and Remuneration Committee shall be governed by the Regulations regarding the Human Resources and Remuneration Committee approved by the Company's Board of Directors.

9.4. The Company's Auditor

The Company's Auditor shall be appointed by the General Meeting based on the recommendations of the Board of Directors.

10. The Company's Relationship with its Subsidiaries

The Company, being a shareholder (member) of its subsidiaries, shall maintain a relationship with its subsidiaries in accordance with the applicable laws of the Russian Federation on Joint-Stock Companies, on Limited Liability Companies, the Company's Articles of Associations, the by-laws of its subsidiaries and the Company's internal documents.

The Company's position on matters on the agenda of the general meetings of shareholders (members) and the meetings of the boards of directors of its subsidiaries shall be determined in accordance with the Articles of Association and other internal documents of the Company.

11. Transactions of the Company and its Subsidiaries

The Company and its subsidiaries shall carry out all major transactions and transactions with related parties in accordance with the applicable law of the Russian Federation, the Articles of Association of the Company and the by-laws of its subsidiaries.

12. Disclosure, Confidential Information and Inside Information

The main principles of the Company's disclosure policy shall be the completeness, timeliness, objectivity, and reliability of disclosed Company information, as well as free and unrestricted access to this information.

The information disclosed by the Company in compliance with the applicable law of the Russian Federation, as well as other Company information, shall be posted on the Company's official website (web page) on the Internet.

The Company shall provide a timely and accurate disclosure of all material aspects its business via compliance with the provisions of the applicable laws of the Russian Federation, as well as voluntarily disclosure of additional information.

Every year, the Company shall submit an annual report to its shareholders. The information to be disclosed in the annual report shall be determined by the Board of Directors with due consideration of the provisions of the applicable laws of the Russian Federation and international practices.

Any information that constitutes trade or business secrets and any inside information must be protected.

The relevant internal documents of the Company shall outline the list of information that constitutes trade or business secrets, an information access and use policy, as well as liability in the event of breach of said policy.

The definition of inside information, inside information listing, the procedures for access to and use of inside information, and privacy protection regulations shall be based on the applicable laws, the Articles of Association of the Company, the Regulations regarding Inside Information, approved by the Board of Directors, and other internal documents of the Company.

In order to protect information that constitutes of trade or business secrets and inside information, the Company shall adopt the necessary measures to include the terms and conditions for non-disclosure of the above information in contracts with the officers, employees, consultants of the Company, and other persons.

In accordance with the applicable laws, the Articles of Association, the Regulations regarding Inside Information and other internal documents of the Company, members of the Board of Directors, members of the Management Board and the Sole Executive Body (management organization) of the Company shall be obliged to disclose information on the Company's securities they own, as well as information on the Company's securities they sell or purchase.

13. Closing Provisions

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