

APPROVED
by the Board of Directors of
SIBUR Holding JSC
July 10. 2007; Minutes # 45

**CODE
OF CORPORATE CONDUCT
OF SIBUR HOLDING JSC**

**Saint Petersburg
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1. General Provisions

This Code of Corporate Conduct of SIBUR Holding JSC (the “**Code**”) has been drafted in compliance with the existing Russian laws and regulations, the Articles of Association of SIBUR Holding JSC (the “**Company**”), generally acceptable principles of corporate conduct, and taking account of the Company’s operating environment.

The Code’s objective is to make sure that all necessary conditions are in place for shareholders to exercise their rights and lawful interest, to ensure transparency of decision making, information openness, efficiency of Company’s operations, and its investment attractiveness, including without limitation increase in the Company’s net asset value, and maintenance of its financial stability and profitability.

As the corporate governance practice develops, the Company shall endeavor to improve its corporate governance principles and provisions hereof.

2. Underpinning Corporate Conduct Principles

The Company shall endeavor to perfect its corporate governance practices in accordance with principles ensuring:

- true opportunities for shareholders to exercise their rights associated with their participation in the Company;
- equal treatment of holders of equal shareholdings of the same type;
- efficient strategic management of the Company by its Board of Directors and proper control by the Board of Directors over actions undertaken by Company’s executive bodies (management company), as well as Board of Directors accountability to the shareholders’ meeting;
- efficient day-to-day management of the Company by its executive bodies (management company) acting reasonably, bona fide, and in the Company’s interests, and their accountability to the Company’s Board of Directors;
- prompt disclosure of true information about the Company for shareholders and investors to make informed decisions, as provided for in existing laws and regulations, the Company’s Articles of Association, and corporate documents;
- efficient control over Company’s financial and business activities, including for the purpose of securing rights and lawful interests of shareholders;
- active interaction between the Company and its investors, creditors and other stakeholders for the purpose of increasing the Company’s net asset value, the value of its shares and other securities.

The Company recognizes the importance of improving corporate governance procedures in its subsidiaries and dependent companies and shall endeavor to ensure openness and transparency of these companies as well as introduction of the key principles hereof into their practices.

3. Company’s Corporate Governance Structure

The Company’s operations are governed by its General Shareholders’ Meeting, Board of Directors, Management Board and the Chief Executive Officer.

Upon resolution of the General Shareholders’ Meeting, powers and authorities of the Company’s Chief Executive Officer may be delegated to a management company.

4. Company’s Shareholders

Company’s shareholders have a set of rights with respect to the Company, whose maintenance and implementation shall be ensured by the Board of Directors and executive bodies of the Company (management company).

Shareholders shall be provided with reliable and efficient methods of recording and keeping track of rights, titles to, and interest in, shares, as well as opportunities for smooth and delay-free disposal of their

shares and other transactions therewith, at their discretion, provided it neither conflicts with existing laws and regulations nor violates rights and legally protected interests of other persons.

The Company shall secure these rights by, among other things, ensuring that registration of the rights, register running and maintenance are performed by a registrar having necessary technical means and controls, and perfect reputation in the securities market.

Shareholders may participate in Company's governance by participating in General Shareholders' Meetings in person or by correspondence voting, and making decisions on matters on the General Meeting's agenda. For the purpose of safeguarding and protecting the above-mentioned right, the Company has adopted the Regulation for the General Shareholders' Meeting, which has been approved by the Company's General Shareholders' Meeting and which, among other things, includes the following provisions:

- the procedure for notification of Company's shareholders about a General Shareholders' Meeting providing for an advance notice of the meeting delivered by the registrar;
- providing holders of at least one (1) percent of Company's shares with the opportunity to review the list of shareholders of record during a term set by laws and regulations for submission of materials on matters on the meeting's agenda to shareholders;
- the venue of a General Shareholders' Meeting is determined so that shareholders have an opportunity to attend the meeting, and is stated in the notice of the meeting;
- shareholders holding in aggregate at least ten (10) per cent of voting shares in the Company have the right to call a General Shareholders' Meeting, and shareholders holding in aggregate at least two (2) per cent of voting shares in the Company may place a motion on agenda, propose candidates for the Board of Directors and Internal Audit Committee of the Company. In exercising the above-mentioned rights, documents that confirm such rights of a shareholder are notarized (and, in case of documents drafted in a foreign language and in accordance with foreign laws, duly legalized) copies of documents confirming powers of a signatory of a certain request or proposal, and, if shares are kept on a securities deposit account, an original statement of the respective account.

Shareholders shall be entitled to a portion of Company's net profit in a form of dividends. The Company shall endeavor to ensure that procedures for determining dividends and dividend payments are consistent with shareholders' interests.

Shareholders shall be entitled to regular and prompt information on Company's operations as provided for in existing laws and regulations, the Company's Articles of Association, and corporate documents.

For the purpose of proper safeguarding and exercise of the above-mentioned right, the Company shall ensure:

- compliance with disclosure requirements set forth in existing laws and regulations;
- provision to shareholders of all the necessary information on each item on the agenda in the course of preparation to a general shareholders' meeting and making a reference in materials to respective items;
- in-time provision of materials with regard to the meeting's agenda to shareholders for review at least twenty (20) days, or, in case of a General Meeting whose agenda provides for Company's reorganization, thirty (30) days prior to the date of the General Shareholders' Meeting (or the deadline for ballots submission);
- upon request of a shareholder, provision, within two (2) business days, of copies of all the materials on items on the agenda of the General Shareholders' Meeting, as well as provision, upon agreement with the shareholder, of the materials by e-mail;
- preparation of the Company's annual report as required by the applicable laws and regulations in a form enabling to assess the Company's performance during a fiscal year, including a copy of annual accounting statements, an Internal Audit Commission report and a Company's auditor's report;
- appointment of a Secretary of the Company's Board of Directors who is responsible for ensuring shareholders' access to information about the Company;
- placement of information disclosed by the Company in accordance with requirements of the existing laws and regulations of the Russian Federation and other information about the Company on the official website of the Company.

A Company's shareholder or a group of shareholders holding in aggregate at least twenty five (25) per cent of voting shares in the Company as well as their duly authorized representatives shall be entitled to receive from the Company any information and documents to be submitted to members of the Board of Directors and members of the Company's Internal Audit Commission, and shall have access to other

documents of the Company as provided for in clause 91.1 of the Federal Law on Joint-Stock Companies, the Company's Articles of Association, and other corporate documents.

Shareholders shall not abuse their rights. No actions by shareholders shall be permitted if they are taken with the only intent to cause damage to other shareholders or the Company, or abuse their rights otherwise.

5. Company's Board of Directors

5.1 General Provisions

The Company's Board of Directors shall be responsible for the general management of the Company aimed at maintenance and growth of the Company's share value and net asset value, and exercise by shareholders of their rights.

The Board of Directors shall proceed from the principle of equal treatment of all the shareholders taking into account their interests in the decision making process. The Board of Directors shall make sure that there is a system in place to identify and resolve potential conflicts of interests.

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

The Company's Board shall be responsible for formulating and implementing the Company's development strategy.

The Board of Directors shall establish and maintain necessary controls over activities of the Company's executive bodies (management company) including monitoring and assessment of their performance.

The Company's Board of Directors shall develop a transparent system for assessment of its activities in general as well as of activities of its individual members, and shall produce a transparent system for rewarding members of the Board and compensating their expenses associated with performance of their duties, which is subject to approval by the General Shareholders' Meeting.

5.2 Membership of Board of Directors

The Chairman of the Board of Directors shall chair the Board of Directors and shall be responsible for arranging its activities.

The number of members of the Board shall be adequate to ensure its efficient performance, and the Board shall consist of representatives of various groups of shareholders and take into account various interests and opinions in the decision making process.

The number of directors shall be determined by the General Shareholders' Meeting; however, the minimum number of members of the Board shall be seven (7).

To ensure objectivity of decisions made and to maintain the balance between interests of various groups of shareholders, the Company shall endeavor to have at least one (1) independent director on the Board.

A member of the Board of Directors shall be deemed an independent director provided that he/she:

- has not been employed in any executive capacity or otherwise by the Company, its management company, Company's shareholders affiliated with the Company, and/or its subsidiary or related companies within the last five (5) years;
- has not been, and is not, a major counterparty of the Company (where a major counterparty means a counterparty whose total annual volume of transactions with the Company is ten (10) or more per cent of Company's total assets) within the last three years;
- has not received and does not receive any reward for provision of services to the Company or its management company except for his or her remuneration in the capacity of the Board member;
- is not an officer of any other business entity where any of Company's officers is a member of the HR and remuneration committee at the board of directors;
- is not affiliated with any of Company's or its management company's officer;
- is not, and has not been within the last year, a Company's affiliate except as in the capacity of a Company's Board member;

- is not, and has not been within the last year, a person whose spouse, parents, children, full- or half-blood brothers or sisters, step-parents or step-children hold management positions with the Company, its management company, or are Company's managers, or act as its advisors on a contractual basis;
- is not a government's representative;
- is not a representative of a Company's major shareholder, i.e. a person elected to the Company's Board of Directors from among candidates proposed by a Company's shareholder holding (together with its affiliates) over twenty (20) per cent of voting shares in the Company, provided this Board member exercises its voting powers based on written instructions by such shareholder;
- is not a party to any obligations towards the Company whereby he or she may acquire assets (obtain funds) whose value is ten (10) or more per cent of his or her total annual income other than his or her remuneration in the capacity of the Company's Board of Directors.

After 7 years in the capacity of a member of the Company's Board of Directors, an independent director shall cease to be considered independent.

Should any member of the Board of Directors elected to the Board as an independent director cease to meet the independence criteria for any reason, he or she shall notify the Board of Directors of the same within five (5) business days of the respective event.

5.3 Requirements to Member of Board of Directors

A member of the Board of Directors acting in this capacity shall:

- perform its duties bona fide and reasonably and in Company's interests;
- have sufficient time to efficiently perform his/her duties as a member of the Board of Directors;
- express his/her opinion and defend it, if he/she believes that it meets interests of the Company;
- disclose its interest, if any, in Company's transactions as provided for in existing laws and regulations, the Company's Articles of Association, and corporate documents.

A member of the Board of Directors shall not abuse its membership of the Board of Directors to, directly or indirectly, promote in the Company for his/her personal interests.

In making a decision on holding management positions with other companies, a member of the Board of Directors shall recognize that he/she should have sufficient amount of time to ensure proper performance of his/her duties as a member of the Company's Board.

5.4 Arranging Activities of Company's Board of Directors

The procedure for calling and holding a meeting of the Company's Board of Directors shall be governed by the Resolution on the Board of Directors approved by the General Shareholders' Meeting of the Company.

The Company's Board shall hold its meetings as least eight (8) times a year. At least one meeting of the Board shall be devoted to issues of the Company's development strategy, discussion of the investment program, and approval of the business plan (budget) of the Company for the next fiscal year.

Meeting of the Board of Directors may be held either in person or by correspondence. A decision on the form of a meeting of the Company's Board of Directors shall be made by its Chairman.

To ensure proper performance of the Board, members of the Board of Directors shall have access to any information about the Company required for decision making.

5.5 Powers Reserved for Board of Directors

Powers reserved for the Board of Directors including exclusive Board matters shall be determined by the Company's Articles of Association.

5.6 Committees at Company's Board of Directors

To resolve certain tasks of the Company, the Board of Directors may set up committees including without limitation an audit, human resources and compensation and other committees.

Committees at the Board of Directors shall operate under a relevant regulation to be approved by the Company's Board.

Individual members of committees at the Board of Directors shall be defined by the Company's Board.

Committees at the Board of Directors shall meet as necessary and in accordance with the respective Regulation on the committee approved by the Board of Directors.

Committees at the Board of Directors may hold joint meetings.

6. Company's Executive Bodies

To ensure day-to-day management of the Company, the Company's Board shall form executive bodies, i.e. the collective executive body (Management Board) and the chief executive officer.

Upon resolution of the General Shareholders' Meeting of the Company, powers of the Chief Executive Officer may be delegated to a management company. The Company's Board of Directors may resolve to suspend powers and authorities of the management company and convene an extraordinary shareholders' meeting in accordance with existing laws and regulations.

The executive bodies of the company (its management company) shall be reported to the General Shareholders' Meeting and the Board of Directors of the Company.

The Company's executive bodies (management company) shall consider as their principal objective to perform the day-to-day management duties bona fide and professionally to ensure long-term profitability of the Company.

For this purpose, the executive bodies shall first of all address tasks associated with the implementation of Company's objectives, strategies, and policies, and shall, acting bona fide, efficiently implement resolutions by the Board of Directors and General Shareholders' Meeting of the Company.

The Company's executive bodies (management company) shall be responsible for arranging, maintenance and reliability of Company's accounting processes, timely submission of annual reports and other financial statements to relevant authorities, as well as of information on Company's operations and performance required by shareholders, creditors, and mass media.

Activities of the Management Board and Chief Executive Officer (management company) shall be governed by the Company's Articles of Association, Regulation on the Management Board approved by the General Shareholders' Meeting, and other corporate documents of the Company.

The Management Board and the Chief Executive Officer shall be elected by the Company's Board of Directors upon consultation with the HR and Compensation Committee at the Board of Directors.

The Company's Management Board and Chief Executive Officer (management company) shall regularly report to the Board of Directors on all principal issues of the Company's business, including without limitation information on the development strategy implementation, profitability of the Company and its subsidiaries, and well as shall submit reports on performance against annual business plans (budgets) and investments programs of the Company.

7. Remuneration of Company's Board of Directors and executive bodies (management company)

The Company's Board of Directors shall approve the remuneration policy applicable to the Company's management bodies (management company) as well as the amount of remuneration, and shall duly submit the directors' remuneration policy to the General Shareholders' Meeting for approval.

The Remuneration policy shall be transparent and clear to shareholders. The Company's annual report shall disclose the total amount of remuneration and compensation paid to members of the Company's Board of Directors.

In drafting recommendations to the General Shareholders' Meeting with regard to remuneration payable to members of the Board of Directors, the Company's Board shall be governed by the following principles:

- the amount of remuneration shall be determined taking account of the necessity to attract and engage highly qualified experts into Company's operations, and to motivate them for bona fide and efficient performance;
- competitiveness of remuneration paid to members of the Board of Directors as compared to other organizations operating under similar conditions;

- participation of members of the Company's Board in activities of committees at the Board of Directors shall be taken into account in development of recommendations on remuneration payable to such members of the Board of Directors;

- correlation between the remuneration of Board members and Company's operations and Board's performance.

The Board of Directors may recommend to the General Shareholders' Meeting of the Company to pay the remuneration either in cash or otherwise.

8. Secretary of Board of Directors

To ensure strict compliance by Company's bodies and officers with procedures set forth in the existing laws and regulations, the Company's Articles of Association, and corporate documents, the Company's Board of Directors shall appoint a Secretary of the Board.

The Secretary of the Board shall be reported to the Company's Board of Directors. The Chairman of the Board shall personally coordinate activities of the Secretary of the Company's Board of Directors.

9. Control over Company's Financial and Business Operations

9.1 Company's Internal Audit Commission

The existing laws and regulations provide that the Company should have an Internal Audit Commission to ensure control over financial and business operations of the Company.

Members of the Company's Internal Audit Commission shall be elected by the General Shareholders' Meeting. Shareholders of the Company shall exercise due diligence in appraising professional qualities of candidates proposed for the Internal Audit Commission.

Activities of the Internal Audit Commission shall be governed by the Company's Articles of Association and the Regulation on the Internal Audit Commission approved by the General Shareholders' Meeting of the Company.

The Internal Audit Commission shall audit the Company's financial and business operations and shall form an independent professional judgment on the Company's state of affairs. Findings by the Internal Audit Commission shall be communicated to Company's shareholders at the General Shareholders' Meeting in a form of a report by the Internal Audit Committee included into the Company's annual report.

The Internal Audit Commission shall audit the efficiency of internal controls and a risk control and management system, and shall present its findings in a report submitted to shareholders along with other documents prior to the annual shareholders' meeting.

The Internal Audit Commission shall not be bound by any opinion or instructions by Company's officers and shall act independently.

9.2 Audit Committee at Board of Directors

The Board of Directors shall form an Audit Committee to ensure proper control over Company's financial and business performance on the part of the Board of Directors.

Activities of the Audit Committee shall be governed by the Regulation on the Audit Committee approved by the Company's Board of Directors.

9.3 HR and Remuneration Committee at Board of Directors

The Board of Directors shall form an HR and Remuneration Committee to attract qualified professionals to Company's management and to create necessary incentives for their successful work.

Activities of the HR and Remuneration Committee shall be governed by the Regulation on the HR and Remuneration Committee approved by the Company's Board of Directors.

9.4 Company's Auditor

A Company's auditor shall be approved by the General Shareholders' Meeting upon proposals by the Board of Directors.

10. Company's relations with subsidiaries and dependent companies

The Company being a shareholder (member) of its subsidiaries and dependent companies shall interact with them in accordance with provisions of existing laws and regulations of the Russian Federation on joint-stock and limited liability companies, the Company's Articles of Association, articles of subsidiaries and dependent companies and Company's corporate documents.

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

11. Procedure for Carrying Out Transactions by Company and Its Subsidiaries

The procedure for carrying out by the Company and its subsidiaries major transactions or related party transactions shall be governed by existing laws and regulations of the Russian Federation, the Company's Articles of Association, and Articles of subsidiaries.

Other material transactions carried out by the Company shall be governed by the Procedure for Carrying Out Transactions approved by the Board of Directors of the Company and placed on the Company's official web-site.

12. Information Disclosure, Proprietary Information, Insider Information

The key principles of the Company's information policy shall be completeness, timeliness, objectivity and credibility of information disclosed by the Company and provision of free and easy access to this information.

Information disclosed by the Company in accordance with requirements of existing laws and regulations of the Russian Federation as well as other information about the Company shall be placed on the Company's official web-site.

The Company shall insure timely and accurate disclosure of information on all material facts and events of the Company by complying with requirements set forth in the laws and regulations of the Russian Federation as well as by disclosing information voluntarily.

The Company shall provide shareholders with its report on an annual basis. The contents of the annual report shall be determined by the Company's Board of Directors taking into account provisions of existing laws and regulations of the Russian Federation and the international best practice.

Information that represents any commercial or corporate secrets shall be duly protected.

The list of data representing commercial or corporate secrets, a procedure governing access to, and use of, such information, as well as responsibility for violation of the established procedures shall be determined in respective corporate documents of the Company.

To ensure security of information representing commercial or corporate secrets, the Company shall take measures to provide for relevant confidentiality undertakings in contracts entered into with officers, employees, advisors of the Company and other persons.

The definition of insider information, procedure governing access to, and use of, insider information shall be set forth in existing laws and regulations, the Company's Articles of Association, the Regulations on use of information about SIBUR Holding JSC operations and securities approved by the Board of Directors, and other corporate documents of the Company.

Members of the Board of Directors, members of the Management Board, the Chief Executive Officer (management company) of the Company shall disclose any information about their holdings of Company's securities as well as about sale and (or) purchase by them of any Company's securities as provided for in existing laws and regulations, the Company's Articles of Association, the Regulations on use of information about SIBUR Holding JSC operations and securities, and other corporate documents of the Company.

13. Final Provisions

This Code shall come into force as of its approval by the Company's Board of Directors and shall be published on the Company's official web-site.

