



OAO SOLIKAMSK MAGNESIUM WORKS QUALITY POLICY

Being the oldest operating primary magnesium facility world-wide, producing pure and alloy magnesium, titanium sponge, compounds of rare and rare earths elements, and chemical products, we recognized that our goal is to assure long-term sustainable development of our Company through building reciprocal relationships with our partners.

The following principles are used and obligations are assumed by us to achieve this goal:

1. Client - oriented approach

- Study, recognize and explain to each employee requirements and expectations of our clients;
- Assure supply of products those meet our clients' requirements;
- Study clients' satisfaction and put efforts to improve that.

2. Leadership of managers

- Build exact Company's prospects, set objectives and provide conditions to achieve these objectives;
- Engage transparent and honest exchange of information building an atmosphere of confidence in the Company.

3. Involvement of employees

- Attract employees on development and improvement of processes;
- Provide conditions for upgrading professional skills;
- Improve system of motivation and incentives.

4. Process and system approaches

- Review processes from the point of view of value that is added by these processes;
- Build system for management of interconnected processes;
- Evaluate efficiency of processes for further improvements.

5. Permanent improvements

- Improve productivity and efficiency of processes through implementing innovations;
- Motivate innovation and creativity of employees.

6. Decision-making process based on facts

- Make decisions and act effectively through review of actual data and parameters of products and processes as well as results of internal audit

7. Reciprocal relationships with suppliers

- Build reciprocal, respectful and reliable relationships with suppliers.

Our objectives are to implement these principles in order to meet ISO 9001 Quality Management System requirements.

General Director

Dmitriy L. Melnikov