

Board of Directors

SUEK has an experienced Board of Directors which oversees the company's creation of long-term value for all of its stakeholders.



ALEXANDER LANDIA, 56
CHAIRMAN
NON-EXECUTIVE
DIRECTOR

Education and qualifications

Alexander graduated from Tbilisi State University with honours and has a Candidate's degree (PhD) in Mathematics from the Institute of Mathematics of the National Academy of Sciences of Belarus (Minsk, Belarus).

Career

Alexander has extensive management experience, leading and advising various organisations. Between 1993 and 2001 he worked at Dresdner Bank in Frankfurt as First Vice President, Oil & Gas Global Debt. Until 2004, he was General Director of Accenture Russia and was subsequently appointed Global Gas Lead Partner. In 2006, Alexander joined SUEK's Board of Directors, which he chaired between 2006 and 2010. In October 2016, he was reappointed Chairman of the Board.

From 2013 to 2015, Alexander was a Board member of JSC EuroChem. Since April 2015, he has been Chairman of the Board and a member of the Strategy Committee of EuroChem Group AG. Up until September 2018, he was Chairman of the Board of Directors of Siberian Generating Company (Russia).

Alexander is a member of the Board of Lambert Energy Advisory Ltd (UK). He is a co-founder of Bernotat & Cie (Germany), and is Chairman of The Mobility House AG (Switzerland).

Appointment to the Board

Alexander Landia was appointed to the Board of SUEK in December 2006.



ANDREY MELNICHENKO, 47
NON-EXECUTIVE
DIRECTOR

Education and qualifications

Andrey studied Physics at the Lomonosov Moscow State University and graduated from the Plekhanov Russian Academy of Economics, with a degree in Finance.

Career

Andrey Melnichenko is a self-made Russian industrialist. Over the past 20 years, he has co-founded a number of multi-billion-dollar businesses including fertiliser producer EuroChem, coal producer SUEK, and power generator SGC (now directly owned by SUEK) – which are among the largest companies globally within their industries. In the early 1990s, Andrey co-founded MDM Bank, which under his leadership became one of Russia's most successful and largest private banks. In the 2000s, he exited MDM Bank, while investing in already privatised industries – fertilisers, coal and steel pipes (which he exited in 2006 through an IPO).

Andrey is the main beneficiary and a member of the Board of Directors of EuroChem Group AG and SUEK, and chairs their Strategy Committees. He sits on the Board of the Russian Union of Industrialists and Entrepreneurs, where he chairs its Mining Commission.

Appointment to the Board

Andrey Melnichenko was appointed to the Board of SUEK in March 2004.



VLADIMIR RASHEVSKY, 45
CHIEF EXECUTIVE OFFICER

Education and qualifications

Vladimir graduated from the Finance Academy under the Government of the Russian Federation, majoring in Global Economics. He holds a Candidate's degree in Economic Science.

Career

Vladimir began his career in 1992, holding various positions in banking, including Vice-Chairman of the Management Board of Avtobank. In 2000, he joined MDM Bank, where he was appointed Deputy Chairman of the Management Board and then, in December 2001, Chairman of the Management Board.

In 2004, Vladimir became President of SUEK, and was appointed CEO of the company at the end of that year.

Vladimir is a member of the Board of Directors of Interregional Distribution Grid Company of Siberia.

Appointment to the Board

Vladimir Rashevsky was appointed to the Board of SUEK in June 2011.



KLAUS-DIETER BECK, 64
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

Education and qualifications

Klaus-Dieter holds a PhD and an MSc in Mining Engineering from Rheinisch-Westfälische Technische Hochschule in Aachen, Germany.

Career

Klaus-Dieter joined RAG (Germany) in 1981 and worked in a variety of technical and operational roles. He became Chief Engineer of the company's subsidiary RAG Niederrhein in Germany, and between 1996 and 1998 was General Manager of Friedrich/Rheinland mine. He then joined RAG's Riverton Coal subsidiary in the US, and between 2004 and 2007 served as Senior Vice President, Planning, Engineering & General Equipment Management, at the Foundation Coal Holdings (formerly RAG's American coal business).

Klaus-Dieter was Chairman and CEO of the Czech coal producer OKD between 2007 and 2012, during which period he was also an Executive Director of NWR NV. He was a Non-Executive Director of NWR, until March 2013, and has served as a member of the Supervisory Board of TUEV Nord/Hannover in Germany since 2008.

Appointment to the Board

Klaus-Dieter Beck was appointed to the Board of SUEK in June 2012.



NATALIA IZOSIMOVA, 61
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

Education and qualifications

Natalia graduated from Moscow State Pedagogical University, and holds a Master's degree in English and German. Natalia also holds an Advanced Diploma from the Oxford School for Coaching and Mentoring and is a member of the European Mentoring and Coaching Council.

Career

Natalia joined McKinsey in 1994, where her roles included Head of Professional Development in Eastern Europe. In 2005, she joined System Capital Management in Ukraine as Head of HR, becoming Director for Corporate Restructuring later that year. Between 2007 and 2013, she served as Managing Director of the Foundation for Effective Governance in Ukraine.

Natalia launched her own consultancy business in January 2014, working with companies to implement and develop corporate governance systems and improve their managerial processes, HR and communications strategies.

Between 2007 and 2013, Natalia was an Independent Director of DTEK and Metinvest, where she chaired the Remuneration Committee. She was also Head of the Remuneration Committee at FESCO between 2014 and 2016.

Appointment to the Board

Natalia Izosimova was appointed to the Board of SUEK in April 2016.



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TOM CAIRNS, 43
NON-EXECUTIVE
DIRECTOR

Education and qualifications

BA (Hons) in Mathematics from St John's College, Cambridge.

Career

Tom qualified as a Chartered Accountant with Arthur Andersen in 1999. He spent the following 16 years working as a private equity investor in the technology, real estate, retail and natural resources sectors.

From 2016-18, Tom was an advisor to the Chairman of the Board of Directors of SUEK. In this role, he assisted SUEK on corporate strategy and evaluating international joint ventures and acquisitions.

In September 2018, Tom joined AIM Capital as Managing Director, Head of Investments, with responsibility for overseeing AIM Capital's investments in SUEK and EuroChem.

Appointment to the Board

Tom Cairns was appointed to the Board of SUEK in September 2018.



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IAIN MACDONALD, 61
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

Education and qualifications

Iain holds a BSc (Eng) from University College London. He also attended the Programme for Management Development at Harvard Business School.

Career

Iain joined BP in 1979 as a chemical engineer.

Over a 30-year career there, he progressed through a variety of technical, operational, marketing and business management roles before moving into finance management during his last ten years with the company. He was Head of Planning for the Group, then Group Controller, finally becoming Deputy Group Chief Financial Officer. Here he was in charge of the integrated finance function. He was a member of the Board of TNK-BP, and a BP Pension Trustee.

Iain retired from BP in 2010 and took up a position as Chief Financial Officer of Fairfield Energy Ltd, an independent North Sea oil and gas producer. He remained in charge of finance at Fairfield until the end of 2014.

Iain is currently a Non-Executive Director of Premier Oil plc, where he is the Audit and Risk Committee Chairman, and a Non-Executive Director and Chair of the Finance Committee of the Workforce Development Trust Ltd.

Appointment to the Board

Iain Macdonald was appointed to the Board of SUEK in April 2015.



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S

STEFAN JUDISCH, 60
NON-EXECUTIVE
DIRECTOR

Education and qualifications

Stefan holds a degree in Business Administration from Frankfurt.

Career

Throughout his professional life, Stefan has been involved in commodity trading and risk management activities, predominantly focused on energy-related commodities and non-ferrous metals.

Stefan began his career in 1981 at Metallgesellschaft's central controlling department in Frankfurt (Germany). While with Metallgesellschaft, he worked in London, New York and Hamburg where he served as CEO of the company's non-ferrous metal trading and brokerage subsidiary. In 1992, he was hired by the Swiss bank UBS to develop their commodity trading business.

Following the deregulation of Germany's electricity market in 1999, he moved to German utility RWE. He helped to build RWE's global energy and commodity-trading and wholesale-supply business over a period of 16 years. He retired as the company's CEO in February 2015.

Stefan is a Non-Executive Director of Trimet Aluminium SE, the largest aluminium producer in Germany, and its holding company. He is also a Non-Executive Director of The Mobility House AG and The Mobility House Holding AG. The Mobility House develops and implements commercial optimisation concepts for batteries in electric vehicles.

Since November 2018, he has been Chief Commercial Director of EuroChem Group AG.

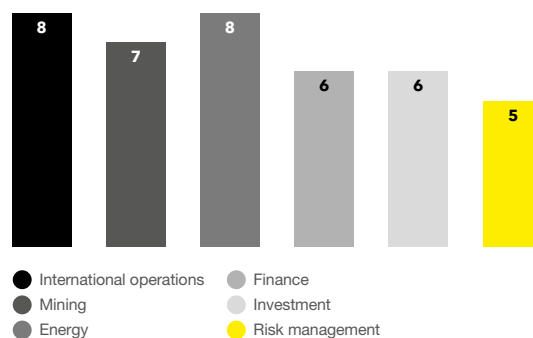
Appointment to the Board

Stefan Judisch was appointed to the Board of SUEK in June 2015.

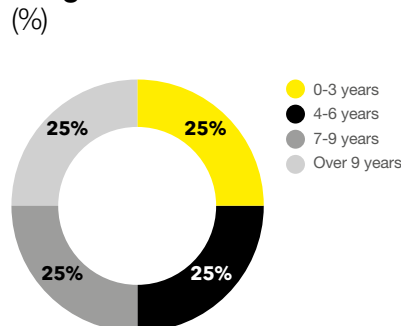
Key to Committee membership

- S Strategy Committee
- N Nomination and Compensation Committee
- A Audit Committee
- Committee's Chairman

Board experience



Length of service as Board members (%)



Induction and familiarisation procedure

In compliance with the applicable laws, recognised corporate governance practices and internal documents, the company has developed an induction programme for newly elected Board members, aimed at familiarising Non-Executive Directors with the company's business, the specifics of its subsidiaries' operations, the rules and practices adopted by the management bodies and the Board of Directors.

Upon election, Directors are granted full access to all previous meeting materials and minutes of the Board of Directors and Committees.

The induction process is managed by the Corporate Secretary.

Board meetings

The Board's schedule and work plan are approved for the following year, with adjustments every six months.

The Corporate Secretary supports the work of the Directors and Board Committees. The Corporate Secretary and CEO make every effort to provide Board members with the materials for meetings in advance.

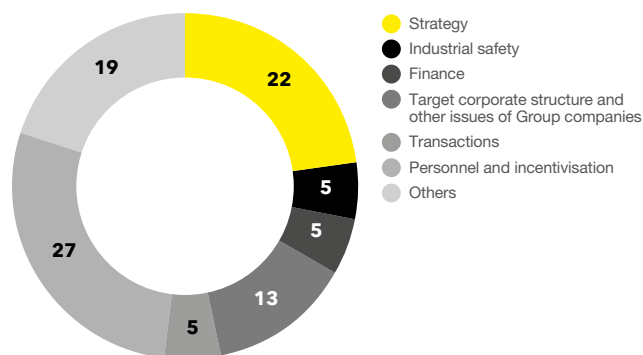
Board members regularly communicate with the company's management team. Between meetings, Non-Executive Directors receive monthly management reports, notifications about significant events and updates on the coal-mining industry. Members of the Board also regularly consult industry experts and visit the company's production sites. During these visits, Directors can personally evaluate the state of our assets, communicate with regional managers and assess our corporate culture and safety systems at first hand. Such trips help the Board gain a better understanding of regulatory issues and new insights into specific characteristics of the Russian coal and energy industry.

Members of the Board have access to information on the activities of all Board Committees and may attend any Committee meeting.

The Board of Directors held 16 meetings in 2018 (six in-person meetings and ten in-absentia meetings). Most in-person meetings were fully attended.

In 2018, the Board's work included the review of several strategic initiatives, the approval of major transactions and the analysis of the short- and long-term

Issues considered at Board meetings in 2018



Directors' participation in Board meetings in 2018

Director	Board meetings	Audit Committee	Nomination and Compensation Committee	Strategy Committee
Total number of meetings	16 ¹	11	5	5
Klaus-Dieter Beck	16	–	5	5
Tom Cairns	5 ²	3	–	–
Natalia Izosimova	15 ³	–	4 ⁴	–
Stefan Judisch	16	4 ⁵	–	5
Alexander Landia	16	–	5	5
Iain Macdonald	16	11	–	–
Kuzma Marchuk	11 ⁶	8 ⁶	–	–
Andrey Melnichenko	15 ⁷	–	–	5
Vladimir Rashevsky	16	–	–	5
Olga Vysotskaya	11 ⁸	7 ⁹	–	–

financing of the business. It also considered standard issues, such as the revision of strategy, budget and investment planning, setting objectives for top managers and assessing their performance. Board members also considered other matters that require Board approval in accordance with regulation.

During the year, the Board focused on the following issues:

- Maintaining business stability. The measures supported by the Board included further improvement of coal operational efficiency, the development of the company's coal processing and logistics facilities and sales networks, expansion of the resource base

- The strategic development of SUEK and its individual business segments. The Board supported the initiative to invest in energy assets which resulted in acquisition of SGC. In this regard, the power and coal strategies of the company were updated and coordinated. Work was done on the refinement of the five-year consolidated sales strategy, adjustment of the goals of our segment strategies, approval of key investment development projects, setting the objectives of SUEK's international strategy
- Industrial safety, including the assessment of management actions aimed at preventing accidents and improving industrial safety

1. Including six in-person meetings, ten in-absentia meetings.
 2. Tom Cairns joined the Board on 10.09.2018.
 3. Natalia Izosimova did not attend the Board meeting on 13.02.2018.
 4. Natalia Izosimova did not attend the Nomination and Compensation Committee meeting on 12.02.2018.
 5. Stefan Judisch joined the Audit Committee on 06.06.2018.
 6. Kuzma Marchuk retired from the Board on 10.09.2018.
 7. Andrey Melnichenko did not attend the Board meeting on 05.04.2018.
 8. Olga Vysotskaya retired from the Board on 10.09.2018.
 9. Olga Vysotskaya did not attend the Audit Committee meeting on 11.05.2018.

- Equipment upgrade of our thermal power plants. In particular, the main prerequisites and technical aspects of the potential DPM-2 programme were considered, with evaluation of its key advantages and approaches to the identification of priority modernisation projects
- Personnel matters, including assessments of the company's human resources function and issues affecting the continuity of senior management. In particular, the Board assessed the progress of senior managers towards personal goals set in 2017 and further improved the incentive system for SUEK's senior management, revised and developed new incentive instruments
- The effectiveness of the communication process. Approving further activities for the development of communications in 2019-2020 with communication programmes for each region of operations

During 2018, SGC was consolidated as part of the ongoing restructuring of the group in the SUEK perimeter. In connection with the integration of coal and energy assets, the

Board of Directors considers issues related to the strategic development of the Group and ensuring effective control over financial and economic activities also in the companies of the Energy Segment of the Group.

The Board of Directors' main strategic focus for 2019 is the principles and guidelines for further integration of the company's energy assets.

Board effectiveness and evaluation

The Board's effectiveness is assessed on a regular basis. In 2018, the annual assessment was overseen by the Nomination and Compensation Committee. This took the form of a questionnaire, tailored to meet changing business priorities and Board objectives. For the first time, the Chairman also underwent a personal assessment. Each of the Directors reviewed various aspects of the Board's activities and the Chairman's contribution.

While the Directors expressed their general approval of the Board's effectiveness, they also recommended specific improvements.

Board remuneration

Board remuneration is linked to the performance of their general duties as well as to their specific role. They are also reimbursed for any reasonable expenses they incur in relation to their work as Directors.

Liability insurance for Board members

Since 2006, the company has maintained liability insurance for members of the Board of Directors and key executives (D&O). For the period from April 2018 to April 2019, AIG was selected as the insurance service provider.

Cover for all Board members, in accordance with the Insurance Policy (liability limit), is \$25m.

The additional insurance cover for Non-Executive Independent Directors is \$1m for each and \$8m for all.

BOARD ROLE IN THE CONSOLIDATION OF SGC

