

Board of Directors

as at 31 December 2019

SUEK's Board of Directors is experienced and provides leadership to the company for its long-term success with respect for the interests of all stakeholders.

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ALEXANDER LANDIA, 57

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. From April 2015 to December 2019, he was Chairman of the Board and a member of the Strategy Committee of EuroChem Group AG. Up until September 2018, he was Chairman

**CHAIRMAN
NON-EXECUTIVE DIRECTOR**

of the Board of Directors of Siberian Generating Company (Russia).

Alexander is Chairman of The Mobility House AG (Switzerland), and a member of the Board of Lambert Energy Advisory Ltd (UK).

Appointment to the Board
December 2006

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ANDREY MELNICHENKO, 48

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 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 holds main beneficiary interest in EuroChem Group AG and SUEK. He is the member of the Board of Directors

NON-EXECUTIVE DIRECTOR

of EuroChem Group AG and SUEK. He chairs EuroChem's Nomination and Remuneration Committee and SUEK's Strategy Committee. He sits on the Board of the Russian Union of Industrialists and Entrepreneurs, where he chairs its Mining Commission.

Appointment to the Board
March 2004

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VLADIMIR RASHEVSKY, 46

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
June 2011

CHIEF EXECUTIVE OFFICER

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MICHAEL BAUMGÄRTNER, 55

Education and qualifications
Michael holds a degree in Business Administration from University Pforzheim.

Career
Michael started his career in 1993 as an auditor with KPMG in Stuttgart. He began working in the energy sector in the finance and accounting department of Energie-Versorgung Schwaben in 1996,

and then moved to EnBW Energie Baden-Württemberg in 2004 as Head of Asset Management. From 2009 to 2012, he was on the Board of Management in EnBW Kraftwerke. Michael is CFO of STEAG and a member of its Management Board since 2013.

Michael is also Vice Chairman of the Board of Directors of Iskenderun Enerji (Turkey)

and Chairman of the Advisory Board from the Business School, University Pforzheim (Germany).

Appointment to the Board
August 2019

**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Key to Committee membership

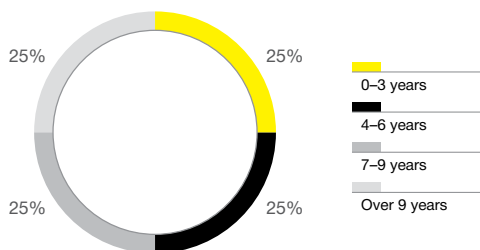
S Strategy Committee

N Nomination and Compensation Committee

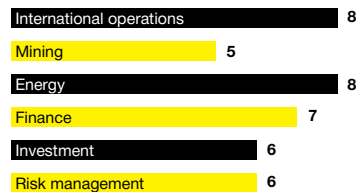
A Audit Committee

● Committee's Chairman

Length of service as Board members



Board experience



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KLAUS-DIETER BECK, 65



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 Foundation Coal Holdings (formerly RAG's American coal business).

Klaus-Dieter was Chairman and CEO of the Czech coal producer OKD between

INDEPENDENT NON-EXECUTIVE DIRECTOR

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
June 2012

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VLADIMÍR HLAVINKA, 53



Education and qualifications

Vladimír holds a Master's degree in Mechanical engineering, thermal and nuclear power plant design from Technical University Brno and Master's degree in Law from Masaryks University Brno.

Career

Vladimír has diverse experience in the power industry including nuclear industry, including the transformation and development of the energy business. He began his career in 1989 as a research fellow at the Research Institute of the Nuclear Power Plant Trnava, and then he worked for nine years at the Nuclear Power Plant Dukovany.

From 2000 to 2006, Vladimír was a member of the ALTA Board of Directors in charge of M&A, legal affairs, nuclear material and fuel assemblies transport and trading. In 2006, he was employed by CEZ, a.s., where he worked as Director of the Nuclear Power Plant Temelin, Executive Director for Power Generation and Member of Board of Director of CEZ.

From 2007 to 2013, Vladimír led the supervisory boards of some subsidiaries of CEZ with connection to power generation as Nuclear Research Institut Řež, a.s., ČEZ Energo, s.r.o., ČEZ Energetické produkty, s.r.o., ČEZ Teplarenská, ČEZ Energetické služby and ČEZ Energoserwis, SRO.

INDEPENDENT NON-EXECUTIVE DIRECTOR

In 2014 - 2015, he served as Deputy Board Chairman at PSG International, a.s. (Czech Republic) and, in 2015, acted as Managing Director and Vice President of Innovation, Uranium One Holding NV (Netherlands). In 2017, Vladimír was elected to the Board of Directors of Uranium One Ink (Canada) and was appointed Managing Director of U1 Trading (Switzerland). Since 2018, he has also been on the Board of Directors at ORGREZ, a.s., where he is a majority shareholder.

Appointment to the Board
August 2019

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STEFAN JUDISCH, 61



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.

NON-EXECUTIVE DIRECTOR

From June 2018 until October 2018 and since July 2019 he was and is also a non-executive Director of EuroChem Group AG (EC). From November 2018 until June 2019, he was Chief Commercial Director and deputy CEO, since September 2019 he chairs the Strategy Committee of EC's Board of Directors and is Director of AIM-Capital.

Appointment to the Board
June 2015

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IAIN MACDONALD, 62



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 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
April 2015

INDEPENDENT NON-EXECUTIVE DIRECTOR

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 teams. Between meetings, Non-Executive Directors receive monthly management reports, notifications about significant events and overviews of the coal-mining industry. Members of the Board also regularly consult industry experts and visit the company's production and logistic 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.

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

The Board held 17 meetings in 2019 (six scheduled in-person meetings, ten in-absentia meetings and one unscheduled conference call meeting). Most in-person meetings were fully attended.

Directors' participation in Board meetings in 2019¹

Director	Number of Board meetings	Audit Committee	Nomination and Compensation Committee	Strategy Committee
Total number of meetings	17²	8	5	8
Klaus-Dieter Beck	17	-	5	8
Michael Baumgärtner	4 ³	1 ⁴	-	-
Natalia Izosimova	8 ⁵	-	2 ⁶	-
Tom Cairns	8 ⁷	4 ⁸	-	-
Alexander Landia	17	-	5	8
Iain Macdonald	17	8	-	-
Andrey Melnichenko	17	-	-	8
Vladimir Rashevsky	17	-	-	8
Vladimir Hlavinka	6 ⁹	-	3	-
Stefan Judisch	17	8	-	8

In addition to regular issues such as the revision of strategy, budget and investment planning, setting objectives for top managers and assessing their performance, at its meetings in 2019, the Board reviewed a number of strategic initiatives, approved major transactions and analysed the short- and long-term financing of the business, along with other issues requiring Board's approval according to the Regulation.



Board investigates into industrial safety and operational efficiency

A member of the Board, Klaus-Dieter Beck, visited the Kuzbass mines several times during the year to assess the applicable industrial safety standards. He also analysed the production process as to develop solutions aimed at improving operational efficiency, with particular attention to roadway development operations.

Directly at coal mines, Klaus-Dieter Beck drew attention

the pace and technology of roadway development, as well as the application and correct functioning of industrial safety systems.

After the visits, Klaus-Dieter formulated a report for the Board, based on the results of which, adjustments were made to the 2020 budget.

- ¹ These are the attendances of the board members in their nominated board committee roles. Many board members have attended other committee meetings in expert roles and/or to participate in discussions.
- ² Including six in-person meetings, ten in-absentia meetings and one conference call meeting.
- ³ Michael Baumgärtner joined the Board on 09.08.19; he did not participate in Board meetings on 09-10.09.19 and 16.12.19.
- ⁴ Michael Baumgärtner did not attend the Audit Committee meeting on 16.12.19.
- ⁵ Natalia Izosimova did not attend the Board meetings on 21.06.19, 23.07.19 and retired from the Board on 09.08.19.
- ⁶ Natalia Izosimova did not attend the Nomination and Compensation Committee meeting on 21.06.19.
- ⁷ Tom Cairns did not attend the Board meetings on 21.06.19, 23.07.19 and retired from the Board on 09.08.19.
- ⁸ Tom Cairns did not attend the Audit Committee meetings on 20.06.19 and 09.07.19.
- ⁹ Vladimir Hlavinka joined the Board on 09.08.19.

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

- Maintaining business stability.** The measures supported by the Board included further operational efficiency improvements, in both the Coal and Energy Segments (including increasing the efficiency of heat supply), the further development of the company's logistics facilities and sales networks and expansion of the resource base.
- The strategic development of SUEK and its individual business segments.** Updating SUEK's consolidated strategic model. Evaluating and adjusting the targets of our main strategies. Approving a number of key investment development projects.
- SGC's integration into SUEK.** The Board considered issues related to the strategic development of the consolidated company and ensuring efficient control over financial and economic activities of the Energy Segment.
- Industrial safety.** The Board approved initiatives to improve the labour and industrial safety system at SGC units, some of which were then included in the HR strategy. The Board developed the principles and format for the Board and Committees' work relating to industrial safety issues in 2020.
- Equipment upgrades at our power plants.** The Board approved submitting our projects for DPM-2 programme.
- Personnel matters,** including an assessment of the company's human resources function and issues affecting the continuity of senior management. In particular, the Board evaluated the progress of senior managers towards personal goals set in 2018, set goals for 2020.
- Improving the incentive system for SUEK's senior management and supervised the annual assessment of the Board's performance.** In the context of the consolidation of SGC, the Board approved a strategy for the management

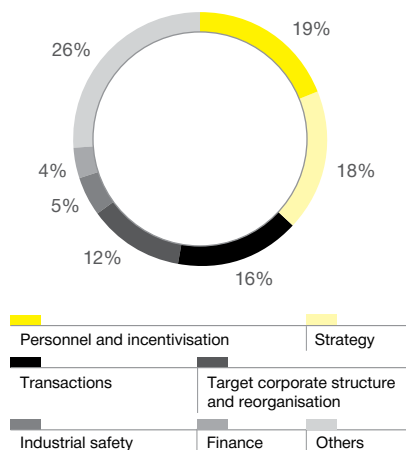
of the SGC workforce. This focuses on the key areas of headcount and cost management, productivity growth, staff development and improvement of safety systems.

- Approving internal documents of the company.** In line with changing statutory requirements, we updated a number of internal documents, including the Compliance Policy and the Anti-Corruption Policy. The company also outlined the principles of internal audit, corresponding to the target model of the internal control system.

Priority issues to consider in 2020

- Maintaining the sustainability of the business and focusing on the company's strategic development
- Updating the company's health and safety and environment programme to reflect our strategy to enhance industrial safety in the Energy Segment companies
- Further increasing the operational efficiency of the Group, including by digital analytical, reporting and planning tools
- Monitoring the consolidation of energy assets acquired in 2019
- Further revision of the management incentivisation system

Issues considered at Board meetings in 2019



Board remuneration

The remuneration paid to Board members is based on how they perform their general duties and their membership and chairmanship of the Board Committees. They also receive reimbursement of all reasonable expenses they incur in relation to their work as Directors.

Liability insurance for Board members

Since 2006, the company has been adhering to the policy of liability insurance for members of the Board of Directors and key executives (D&O). For the period from April 2019 to April 2020, JSC SOGAZ was selected as the insurance service provider.

The amount of 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 effectiveness and evaluation

The Board's effectiveness is assessed on a regular basis. As usual, in 2019 the annual assessment was overseen by the Nomination and Compensation Committee based on a questionnaire, refined to meet the changing business priorities and objectives of the Board. Each Director assessed various aspects of the Board's activities and Chairman's work.

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