

NOMINATION AND COMPENSATION COMMITTEE

Members of the Committee

(as at 31 December 2017)



ALEXANDER LANDIA
(CHAIRMAN)

KLAUS-DIETER BECK

NATALIA IZOSIMOVA

Areas of responsibility:

- Making recommendations to the Board of Directors regarding HR strategy, nominations and compensation, corporate governance and social policy;
- Ensuring the continuity of senior management, developing a succession pool and talent pipeline and designing and assessing programmes for developing managers;
- Ensuring compliance with industrial and environmental safety standards at our enterprises; monitoring our system of key performance indicators in this area;
- Assessing the compliance of our industrial safety system with regulatory and corporate requirements; assessing the efficiency of controls in this area;
- Analysing the causes and consequences of accidents and developing recommendations on their future prevention.

Activities in 2017

- The Committee analysed activities undertaken under the HR strategy for 2016-2017. It also elaborated SUEK's new HR management strategy for 2017-2020, defined priorities relating to key performance indicators for the HR management service and set tasks to further improve the HR management process.
- It monitored measures for improving industrial safety and the occupational health and safety system and approved new management initiatives to prevent accidents at the company's production facilities. Committee member Klaus-Dieter Beck visited the company's units in Kuzbass in order to assess applicable industrial safety standards and evaluate the processes involved in the installation of new equipment.
- The Committee assessed the current capacity of the company's human resource function. It also developed measures to support management continuity at various levels. Members of the Committee participated in meetings with successors under the Corporate University project.
- It reviewed employee motivation programmes in relation to important tasks and projects. It also adjusted and refined a methodology for calculating the incentive system parameters for the sales function and assessed the payment schemes that are linked to our current motivation programmes.
- As part of implementing the company's communication strategy, the Committee studied the opinions of target audiences in the regions where SUEK operates with a view to assessing the effectiveness of the communication process. Based on the results of the first stage, the Committee developed recommendations on the action plan aimed at improving the efficiency of communications.
- It assessed the performance of managers in 2017 and approved new performance targets for 2018. It also initiated a major revision of how the company sets annual targets for SUEK's top managers.
- The Committee supervised the annual assessment of the Board's performance, identifying areas that require further attention. It also reviewed opportunities for Directors' professional development and confirmed the status of the company's Independent Directors.

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IN-PERSON
MEETINGS
IN 2017



SEE BIOGRAPHICAL DETAILS OF MEMBERS OF THE NOMINATION AND COMPENSATION COMMITTEE ON PAGES 102-103.



FOR DETAILS ON ATTENDANCE OF NOMINATION AND COMPENSATION COMMITTEE MEETINGS, SEE PAGE 98.