

BOARD COMMITTEES

STRATEGY COMMITTEE

Members of the Committee
(as at 31 December 2017)



ANDREY MELNICHENKO
(CHAIRMAN)

KLAUS-DIETER BECK

STEFAN JUDISCH

ALEXANDER LANDIA

VLADIMIR RASHEVSKY

Areas of responsibility:

The Strategy Committee is responsible for reviewing management's proposals, assessing associated risks and developing recommendations to support the Board's decision-making in the following key areas:

- Defining the operating priorities of the company;
- Developing the company's overall strategy, strategic plans for business segments and strategies by functional area;
- Developing the company's strategies and goals in target markets;
- Implementing major investment projects;
- Defining the company's operating priorities and evaluating the operational efficiency of management;
- Carrying out investment planning, project management and capital management;
- Improving key business processes.

6
IN-PERSON
MEETINGS
IN 2017

1
CONFERENCE
CALL

Activities in 2017

- Given the volatility of the global coal market, the Committee reviewed SUEK's strategy for the next ten years by business segment. It reached decisions to adjust key priorities of logistics strategies at production units in Kuzbass and Khakasia, define further tasks relating to the development strategy of our auxiliary units, review the consolidated sales strategy and call for a significant increase in exports in order to optimise product distribution across target markets.
- The Committee also analysed investment initiatives that remain attractive despite the current macroeconomic conditions. It approved development projects at our Tugnui and Urgal assets.
- In order to improve the planning function, the Committee refined the macroeconomic parameters and operating performance targets for strategic and budgetary planning, supervised the budgeting, accounting, reporting and investment processes and considered the key steps necessary to reorganise the business process around strategic and investment planning. This was done in order to improve the quality of strategic initiatives and investment proposals, as well as to shorten the time involved in making investment decisions.
- Throughout the year, the Committee monitored the implementation of the Management Development Programme and measures aimed at improving business processes. It set tasks to further develop sales, logistics and procurement processes.
- Taking into account the importance of environmental issues, the Committee analysed the key elements of the company's new strategy in the field of ecology and environmental protection and supported priority areas for reducing SUEK's environmental impact.
- Following a benchmarking exercise to compare production efficiency at SUEK's units with other leading coal producers, the Committee supervised a review of programmes to enhance the operational efficiency of underground and open mining operations.
- The Committee revised the company's IT strategy, made adjustments to key areas and defined priority tasks for the near and long term.

SEE BIOGRAPHICAL DETAILS OF MEMBERS OF THE STRATEGY COMMITTEE ON PAGES 102-103.

FOR DETAILS ON ATTENDANCE OF STRATEGY COMMITTEE MEETINGS, SEE PAGE 98.