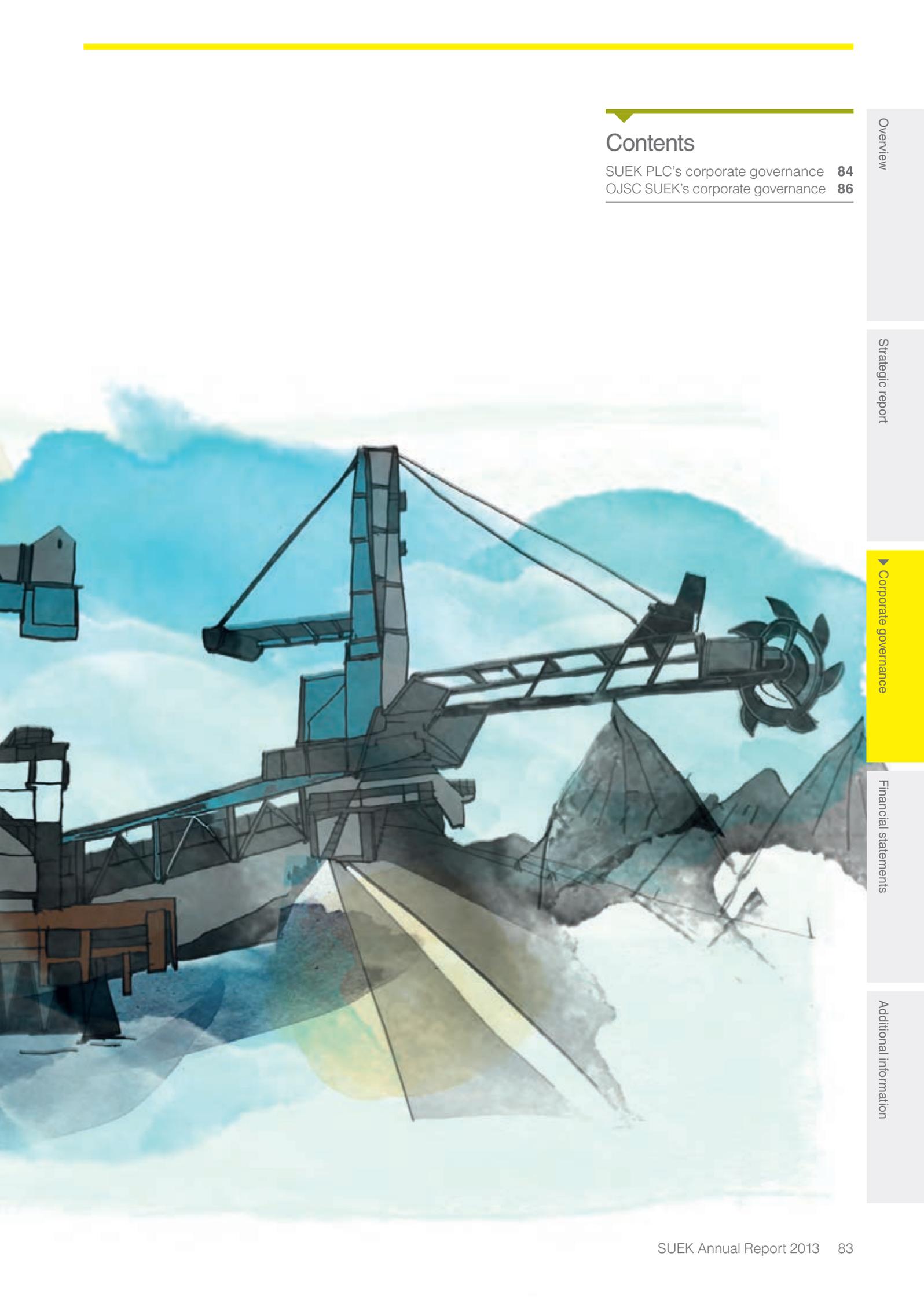

Corporate governance





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SUEK PLC's corporate governance

SUEK PLC has the following principal responsibilities:

- to make investment decisions relating to the purchase and sale of coal assets;
- to focus on financing the Group's operating activities.

It accumulates funds by borrowing from international banks and other sources and allocating these funds to its principal production units. Profits generated are reinvested into business activities or distributed to the shareholders as dividends.

SUEK PLC also has audit and reporting responsibilities. It consolidates the financial accounts of its subsidiaries at Company level, audits the consolidated accounts and undertakes the Group's filing and reporting requirements.

Composition of the Board

The Board of Directors comprises seven members:

- George Cardona
- Vera Bulenkova
- Alina Constantinou
- Kirill Shein
- Maxim Streknev
- Kuzma Marchuk
- Vladimir Rashevskiy

The Board is chaired by one of the current directors, elected from time to time by the Board.

For meetings requiring shorter notice, the Standing Committee provides a mechanism for quick action whenever necessary. The Standing Committee reports to the Board of Directors. Chaired by Vera Bulenkova and composed of at least two additional directors, the Committee is empowered to take almost all Board decisions, with certain exceptions and subject to certain limits on the amounts relating to approved transactions.

Board meeting attendance

| Director | Board of Directors | Standing Committee |
|-----------------------|--------------------|--------------------|
| Total meetings | 20 | 6 |
| George Cardona | 19 | 0 |
| Vera Bulenkova | 19 | 6 |
| Alina Constantinou | 19 | 6 |
| Kirill Shein | 19 | 6 |
| Maxim Streknev | 20 | 5 |
| Kuzma Marchuk | 2 | 0 |
| Vladimir Rashevskiy | 0 | 0 |

In 2013 the Board held 20 meeting and the Standing Committee held six meetings. The average number of participants during the Board meetings was five; the Standing Committee usually comprised three or four participants.

In addition to the above, four resolutions were unanimously adopted by all the directors as written resolutions.

Board performance

The Board of Directors of SUEK PLC remained firmly focused on ensuring that the Group has the most effective financial structure. The loan portfolios of the Company's subsidiaries were reviewed and, where cost-effective, assigned to the Company. The Company also continued to review and adopt resolutions on key officer appointments, explored opportunities to improve the holding and management structures, reviewed subsidiary operations and defined the voting position at the subsidiaries' general meetings.

The following decisions were made by the Board of SUEK PLC during 2013:

- debt transfer of existing PXF (\$600 million credit facility, a credit facility of up to \$1,500 million, a credit facility of up to \$200 million and a credit facility up to \$900 million) from OJSC SUEK to SUEK PLC was supported and approved by Board of Directors of SUEK PLC;
- the Board approved a reduction in the share capital of OJSC SUEK by cancelling the treasury shares held by OJSC SUEK;
- approval of an entry into loan agreements (as lender) with OJSC SUEK for the amount of up to \$1,500 million at the annual rate of 6.6% for a period of up to three years;
- approval of an entry into a facility agreement of up to \$500 million between the Company (as borrower), OJSC SUEK and OJSC 'SUEK-Kuzbass' (as guarantors) and VTB Bank (as original lender and agent) was approved;
- SUEK PLC approved the reorganisation of OJSC SUEK in the form of spin-off of brown coal assets;
- re-election of the Board of Directors of OJSC SUEK by SUEK PLC;
- approval of an entry into a number of novation, amendment and restatement agreements with OJSC SUEK and various banks, including Commerzbank Aktiengesellschaft, HSBC Bank, BNP Paribas;
- approval of a dividend policy of the Company; and
- approval of an entry into a \$1,200 million five year pre-export finance facility for SUEK PLC (as the borrower) with a syndicate of international banks.

Board of Directors

George Cardona, 62

Mr Cardona was elected to the Board in October 2011.

Mr Cardona was formerly Head of Strategy of HSBC Group, and was subsequently appointed General Manager of International Banking at HSBC Bank. He has been a board member of a number of banks and financial companies in Europe and the USA. In 1979 he was appointed Special Adviser to the UK Treasury under the Margaret Thatcher administration.

He is a former member of the Boards of EuroChem, Russia's largest mineral fertilisers producer, and OJSC SUEK, and was previously Chairman of the Strategy Committee of the OJSC EuroChem Board.

Mr Cardona graduated from Trinity College, Oxford, with Honours in philosophy, political science, and economics.

Vera Bulenkova, 41

Ms Bulenkova was elected to the Board in October 2011.

Ms Bulenkova previously worked for Interfax, Deloitte (Cyprus) and BrokerCreditService (Cyprus). She joined the Group in 2007 and is currently in charge of the Company's financial, treasury and investment affairs.

Ms Bulenkova is a graduate of Lomonosov Moscow State University and a Fellow of the Association of Chartered Certified Accountants.

Maxim Streknev, 37

Mr Streknev was elected to the Board in November 2012.

Mr Streknev previously worked as a corporate governance specialist in OJSC SUAL Holding, OJSC Glavstroy and ProfMedia Ltd. Since May 2012 he has supervised the cross-border corporate governance/corporate administration procedures of large holding structures for the SUEK Group.

Mr Streknev is a graduate of Saratov State University (English philology) and the Diplomatic Academy of the Russian MFA (international economic relations).

Kirill Shein, 32

Mr Shein was elected to the Board in October 2011.

Mr Shein worked as a legal associate for a leading international law firm and as an in-house legal counsel for major Russian telecommunications companies, specialising in M&A, borrowings and cross-border transactions. He joined the Group in 2008 and is currently in charge of legal affairs for the Company.

Mr Shein graduated from the Moscow State University of International Relations, Department of International Law, majoring in international civil and trade law.

Alina Constantinou, 35

Ms Constantinou was elected to the Board in October 2011.

Ms Constantinou previously worked for Deloitte (Cyprus) and a major multi-industry Cyprus-based holding company. She joined the Group in 2009.

Ms Constantinou graduated from Intercollege Cyprus with a Diploma (with distinction) in Business Administration (MIS) and is a Fellow of the Association of Chartered Certified Accountants.

Kuzma Marchuk, 40

 See page 91 for biography.

Vladimir Rashevskiy, 40

 See page 88 for biography.

OJSC SUEK's corporate governance



Letter from the Chairman

We fully recognise the importance of corporate governance in ensuring that our operations are efficient, under control and functioning in a transparent and ethical way. We aim to ensure that sound corporate governance has a real impact on how we work. We therefore look to our governance system to help us make sure that:

- the business is well managed and well controlled, so that we are constantly creating and protecting value, and not losing it through inefficiency or poor risk management;
- we are maintaining and developing highly effective reporting, both externally to support our commitment to transparency, and internally to strengthen our operational and strategic decision-making and management accountability;
- our motivation systems constantly encourage management towards strengthening performance and achieving our strategic goals.

During 2013 we continued to improve SUEK's system of corporate governance, taking steps to strengthen and enhance our procedures and practices. These included:

- maintaining a very active programme for the Board of Directors and Committees, including site visits as well as regular meetings;
- ensuring the right mix of experience on the Board through recruitment of new Directors whose competencies meet our strategic requirements;
- ensuring close Board-level involvement in the development of a ten-year consolidated strategy, aimed at securing our long-term competitiveness;
- developing and implementing measures to increase operational efficiency in the context of adverse market situations;
- reinforcing supervision of activities relating to health and safety, including implementation, independent monitoring of industrial safety at enterprises, and the involvement of international experts;
- harmonising the disclosure of information in the Annual Report and Corporate Social Responsibility Report;
- implementing new approaches to planning the work of the Board of Directors and management, in line with our priorities.

We regard good corporate governance as an evolutionary process and will continue to review and improve our approach in the year ahead. The Board will continue dealing with issues related to the implementation of key investment projects and the system of management motivation. We will also transfer to an economic model of managing the Company targeted at increasing shareholder value, in particular through redesigning our processes and supporting systems to secure better decision-making, and by planning and prioritising changes to our operations.

Andrey Melnichenko

Chairman of the Board of Directors
OJSC SUEK

SUEK PLC's principal asset is OJSC SUEK, which has an established system of corporate governance; therefore, we decided additionally to disclose corporate governance of OJSC SUEK.

SUEK's corporate governance system is based on the following principles:

- equal treatment of Company shareholders and the legal recognition and protection of their rights;
- implementation of effective internal controls and systems;
- transparency of information and finances;
- compliance with ethical standards of business conduct;
- effective interaction with employees to provide appropriate working conditions and address social issues.

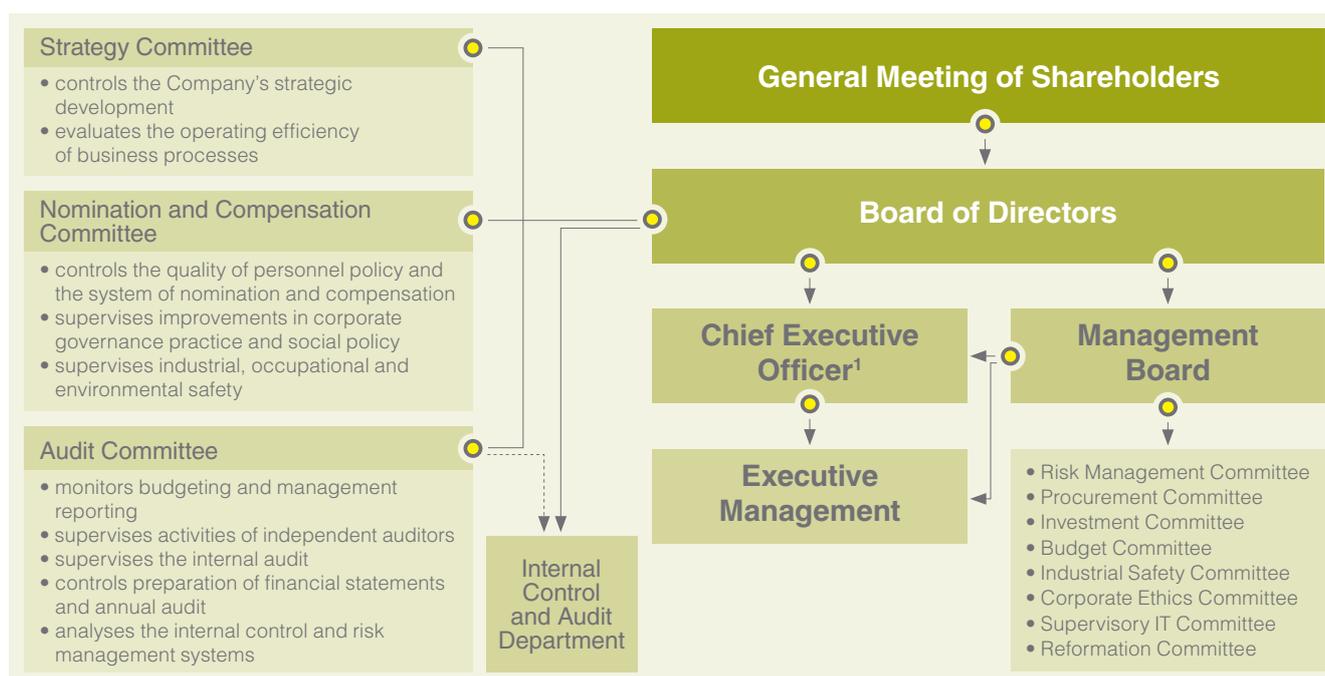
Our comprehensive internal corporate governance regulations comprise SUEK's Charter, its Code of Corporate Conduct and its information policy as well as protocols covering the Board of Directors, Management Board and insiders. Regulations also cover preparing, convening and conducting a General Meeting of Shareholders. These documents can be accessed via the Company's website.

Compliance

We adhere to the provisions of the Code of Corporate Conduct of the Federal Securities Market Commission (FSMC)

of the Russian Federation, embracing the 'comply or explain' provisions of this Code. We have also voluntarily adopted certain recommendations of the UK Financial Reporting Council's Corporate Governance Code. These include:

- separate Chairman and CEO positions;
- all Directors are subject to election on an annual basis after appointment;
- the Company has a majority of independent non-executive Directors (excluding the Chairman);
- the independence of the independent non-executive Directors is evaluated using standards from the UK Corporate Governance Code;
- the Company has a Nomination and Compensation Committee comprising four independent non-executive Directors;
- the Company has an Audit Committee comprising two independent non-executive Directors, both of whom have relevant financial experience. (During 2013 the Audit Committee had three independent Directors, Dmitry Bosky stepping down at the beginning of 2014);
- the independent status of a Director is verified by the Board of Directors;
- assessment of the activities of the Board of Directors is conducted annually; and
- members of the Board of Directors avoid potential conflicts of interest when making decisions on agenda items.



¹ The Chief Executive Officer is also the member of Board of Directors and chairs the Management Board.

OJSC SUEK's corporate governance continued

Board of Directors

Andrey Melnichenko, 42
Chairman of the Board of Directors
Non-executive Director



Chairman of the Strategy Committee

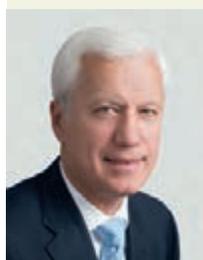
Mr Melnichenko was elected to the Board in March 2004.

Over the past 20 years, Mr Melnichenko has helped build some of Russia's most successful corporations. In 1993 he co-founded MDM Bank, one of Russia's largest private banks. From 1997 to 2001 he was Chairman of the bank's Management Board and then Chairman of its Board of Directors from 2001 until 2005.

Mr Melnichenko was formerly a member of the Board of Directors at RAO UES of Russia and steel pipe manufacturer TMK. He is currently the Chairman of the Board of Directors of OJSC EuroChem Mineral and Chemical Company and also chairs the Board of Directors of Siberian Generating Company. He also sits on the Bureau of the Management Board of the Russian Union of Industrialists and Entrepreneurs.

He studied physics at Lomonosov Moscow State University and graduated from Plekhanov Russian University of Economics, majoring in finance and credit.

Alexander Landia, 51
Independent Director



Chairman of the Nomination and Compensation Committee

Member of the Strategy Committee

Mr Landia was elected to the Board in December 2006.

Between 1993 and 2001 Mr Landia worked for Dresdner Bank AG in Frankfurt and left as First Vice President Oil & Gas Global Debt. Until 2004, as a partner of Accenture, he was General Director of Accenture Russia, and was subsequently appointed Global Gas Lead Partner. Between 2006 and 2010 he was Chairman of the SUEK Board of Directors and he received the 'Chairman of the Year' award from the Russian Association of Independent Directors in 2007.

Mr Landia is a Director of Lambert Energy Advisory Ltd (UK), The Mobility House (Switzerland) and Barloworld (South Africa). He is a co-founder and Managing Director of Bernotat & Cie (Germany).

Mr Landia graduated from Tbilisi State University with honours, and has a Dr.Rer.Nat. (Candidate's Degree) in mathematics from Institute of Mathematics (Belarus).

Vladimir Rashevskiy, 40
Chief Executive Officer



Member of the Strategy Committee

Mr Rashevskiy was elected to the Board in June 2011.

Between 1992 and 2000, Mr Rashevskiy held various positions in banking, including Vice-Chairman of the Management Board of Avtobank. In 2000 he joined MDM Bank as Head of the Investment Department and in 2001 was appointed Deputy Chairman of the bank's Management Board.

In 2004 he became President of OJSC SUEK, and was appointed CEO of the Company later that year. His principal responsibility was the development and implementation of a new strategy for Russia's largest coal company, consolidation of its coal and power generation assets, restructuring of the management system and the launch of an efficiency and productivity improvement programme to meet the objective of creating a world-class company.

Mr Rashevskiy graduated from the Moscow Financial Academy of the Government of the Russian Federation (Department of International Economic Relations), majoring in global economics. He also holds a PhD in economics.

Dmitry Bosky, 54
Independent Director



Member of the Audit Committee
Member of the Nomination and Compensation Committee

Mr Bosky was elected to the Board in December 2006 and stepped down in January 2014.

After working for Shell Oil, he joined Security Pacific Capital Group, where he ultimately became Managing Director, Europe. Until 2004, he chaired the Board of X5 Retail Group N.V. (Pyaterochka) and, since 2008, has been CEO of Aton Capital Partners, the private equity division of IG Aton. Mr Bosky has been Chairman of Berkeley Capital Partners since founding the business in 1992. He is a Fellow of the Royal Society of Arts and an advisor to the European Bank for Reconstruction and Development.

Mr Bosky graduated with Honours from the University of California, Berkeley with a degree in operations research, accounting and finance. In 1983, he earned an MBA from Harvard University, where he was elected President of the International Business Club.

Klaus-Dieter Beck, 59
Independent Director



Member of the Strategy Committee
Member of the Nomination and Compensation Committee

Mr Beck was elected to the Board in June 2012.

He joined RAG in 1981 and worked in a variety of technical and operational roles. He became Chief Engineer of the company's Ruhrkohle Niederrhein subsidiary in Germany, and held management positions at the Rheinland and Heinrich mines between 1996 and 1998. He joined RAG's Riverton Coal subsidiary in America, ultimately becoming Senior Vice President Planning, Engineering & General Equipment Management at Foundation Coal Holdings, Inc. (formerly RAG's American coal business) between 2004 and 2007.

Mr Beck 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. He has been a member of the supervisory board of TÜV-Nord/Hannover in Germany since 2008.

Mr Beck holds a PhD in mining engineering and an MS in mining engineering from Rheinisch-Westfälische Technische Hochschule in Aachen.

Jaroslav Mil, 55
Independent Director



Member of the Nomination and Compensation Committee

Mr Mil was elected to the Board in June 2013.

He was previously CEO and Chairman of the Board of Directors of Czech energy group CEZ, a.s., leading the company through organisational restructuring, vertical transformation and initiating its international expansion.

Mr Mil was also formerly President of the Confederation of Industry of the Czech Republic, Vice-President of BUSINESSEUROPE, and served on the Board of EURELECTRIC. He was a member of the Board of Slovenske elektrarne – ENEL S.p.A. and CEO and Chairman of the Board of Elektrárny Opatovice, a.s. – the largest independent power generator in the Czech Republic. He is a member of the Czech Government Council for Energy and Mineral Sources Strategy and advises the Energy Regulatory Body of the Czech Republic.

Mr Mil holds an MSc in economics and management of the energy sector from the Czech Technical University in Prague and an MBA from Sheffield Business School.

OJSC SUEK's corporate governance continued

Board of Directors

Clifford Kent Potter, 67
Independent Director



Member of the
Audit Committee

Mr Potter was elected to the Board in September 2013.

He joined Chevron in 1974 and in a 27-year career held financial management positions across the company's operations, including Finance Director for Chevron's North Sea operations, CFO of Tengizchevroil in Kazakhstan and CFO of Chevron Overseas Petroleum.

He subsequently assumed the position of Senior Vice President and CFO of Chevron Phillips Chemical Company ('CPChem'). Whilst serving as a member of CPChem's Board of Directors, he helped direct the merger and integration of Chevron's and Phillips' worldwide chemical operations. In 2003, he was appointed Chief Financial Officer of TNK-BP. Most recently, Mr Potter served as Executive Vice President and CFO of LyondellBasell. He was also previously a director of Black Beauty Coal Company and Texas Petrochemical Company.

Mr Potter served three years as a US Army officer. He holds a BA in engineering and an MBA from the University of California, Berkeley.

Richard Sheath, 51
Independent Director



Chairman of the
Audit Committee

Mr Sheath was elected to the Board in June 2012.

He has extensive experience of internal control, risk management and reporting. He is a director and co-founder of Independent Audit Limited, a consultancy specialising in corporate governance. He advises boards of major companies in the UK and overseas on all aspects of governance, with a particular focus on audit and risk committees, risk governance, control culture and corporate reporting.

Mr Sheath was formerly a partner in the risk management consulting practice of PricewaterhouseCoopers and spent six years with the firm in Russia. He began his career with the Bank of England and HM Treasury. He is a non-executive director of EuroChem, Russia's largest mineral fertilisers producer.

He holds a BA (Hons) from the University of York and an MBA from City University (London).

Dmitry Strezhnev, 46
Non-executive Director



Member of
the Strategy
Committee

Mr Strezhnev was elected to the Board in June 2011.

He was formerly the head of Agrodortekhsnab LLP and Tekhsnab-2000 LLC (road and construction machinery trading companies providing maintenance and repair services). He is a former deputy director of Dorstroykomplekt CJSC, a company specialising in highway engineering, and was subsequently head of the Likino Bus Manufacturing Plant OJSC.

For several years he held executive positions in RusPromAvto LLC – a holding company which includes car, truck, bus, road and construction equipment manufacturing – and in GAZ OJSC, an automobile manufacturer. Since 2003 he has been CEO of EuroChem, Russia's largest mineral fertilisers producer, and a member of its Board since 2007.

Mr Strezhnev graduated with honours from Lomonosov Moscow State University with a degree in physics. He holds an MBA from the Academy of National Economy of the Government of the Russian Federation.

Management Board

Vladimir Rashevskiy, 40
Chairman of the Management Board



Chief Executive Officer

See page 88 for biography.

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Vladimir Artemiev, 48



Production Director

Mr Artemiev has been a member of the Management Board of SUEK since January 2007.

Mr Artemiev worked for Gukovugol Industrial Association for over 15 years, commencing his career as an overman at the Zapadnaya underground mine. In 1998 he was appointed General Director of Gukovugol, a position he held for four years. In 2002 he was appointed Head of the Coal Industry Department at the Russian Ministry of Energy and in 2004 was appointed Head of the Mines Inspectorate for the Federal Administration of Environmental, Technological and Nuclear Supervision. In 2006 he was appointed SUEK's Production Director.

Mr Artemiev graduated from Novocherkassk Polytechnic Institute as a mining engineer and has a PhD in engineering science. He was awarded the Order of Courage for a miners' rescue operation, and holds all three degrees of the Miner's Glory medal.

Igor Gribanovsky, 41



Sales and Marketing Director

Mr Gribanovsky has been a member of the Management Board of SUEK since January 2007.

Between 1996 and 2001 Mr Gribanovsky worked at the Moscow office of the Japanese Nichimen Corporation in its Department of Coal and Metals. From 2001 to 2005 he headed the export divisions of Vostsibugol, Rosuglesbyt and SUEK.

In 2005 he was appointed Managing Director of SUEK AG, Switzerland, a 100% subsidiary of SUEK supplying coal to international markets – a post that he held until 2007. He was appointed Sales and Marketing Director of SUEK in March 2007.

Mr Gribanovsky graduated from the Moscow Institute of Steel and Alloys, majoring in metal forming. He pursued his postgraduate studies at the Faculty of Economics of Lomonosov Moscow State University, majoring in public sector economics.

Kuzma Marchuk, 40



Director of Economics and Finance (CFO)

Mr Marchuk has been a member of the Management Board of SUEK since December 2011.

Between 1995 and 1997, Mr Marchuk held several financial positions in Deloitte & Touche, Rosexpertiza and Norilsk Nickel. In 1997 he joined the Protek Group of pharmaceutical companies, and in 1998 he was appointed Chief Financial Officer and a member of the Board.

Between 2004 and 2010, Mr Marchuk was Chief Financial Officer and – from 2007 – a member of the Board of Directors at Uralkali, a potash mining company. He was responsible for the initial public offering (IPO) of Uralkali on the London Stock Exchange in 2007 and for the sale of Uralkali to a group of strategic investors in 2010. He joined SUEK as Chief Financial Officer in December 2011.

He graduated in 1995 from Plekhanov Russian University of Economics, Faculty of International Business, majoring in foreign affairs of enterprises and organisations. The following year he graduated from Lomonosov Moscow State University's Faculty of Physics.

OJSC SUEK's corporate governance continued

Executive management

Denis Ilatovsky, 42

Director of Logistics



Between 1994 and 2007, Mr Ilatovsky worked for the MAIR Industrial Group, where he held several positions including Export Director, General Director of OJSC Saratov Metalware factory, Vice-President of MAIR, Executive Director of the Managing Company, Vice-President for Innovation and IT and Vice-President for Production and Logistics.

He subsequently worked for United Metallurgical Company (OMK), where he simultaneously held the positions of Director-General of the Baltic Metallurgical Terminal (Ust-Luga) and Director of Logistics. He joined SUEK in 2012 and was appointed Chairman of Murmansk Commercial Port in August 2013.

Mr Ilatovsky graduated from the Moscow State Institute of Steel and Alloys in 1994 and obtained an MBA from Antwerp University (Belgium) in 2011.

Akhmed Bedredinov, 47

Director of HR and Administration



Mr Bedredinov's early career was spent with Philip Morris where he joined the first HR team at the Moscow Representative Office and was appointed Head of HR at the Krasnodar tobacco factory.

He has held senior HR management positions at several companies including Nestle, Yuganskneftegaz, YUKOS Exploration and Production, Metinvest Holding, RUCOM and Sberbank of Russia. Prior to joining SUEK he worked with Rosatom subsidiaries as advisor to the General Director of JSC AtomRedMetZoloto and as Deputy General Director – Director for HR Management Projects at Priargunskoye Industrial Mining and Chemical Company. He joined SUEK in 2012.

Mr Bedredinov graduated from the Plekhanov Russian University of Economics in 1989, and from the Stockholm School of Economics in 2006.

Sergei Grigoriev, 57

Public Relations and Communications Director



Mr Grigoriev's early career was spent with the Soviet Union Association of Friendship Societies. From 1984 to 1990, he worked for the International Department of the Central Committee of the Communist Party, subsequently joining the USSR President's Press Office.

He was formerly a political consultant and commentator; his roles included advisor to the Chairman of the All-Russian State Television and Broadcasting Company and chief of staff of the Russian President's Business Management Office in 2001. From 2004 to 2005 he was Vice-President of the National Reserve Bank. He was then appointed Deputy General Director of the National Reserve Corporation.

He is also Vice President of the Russian-American Business Cooperation Council and a member of the Oversight Council of the China Business Development Foundation.

Mr Grigoriev graduated from the Institute of Asian and African Countries at Lomonosov Moscow State University. He holds a Master of Public Administration (MPA) Degree from Harvard's John F. Kennedy School of Government and a PhD from Tufts University and Fletcher School of Law and Diplomacy.

Alexander Redkin, 52
General Counsel



Between 1986 and 2001, Mr Redkin worked in the public prosecution department. He subsequently joined OJSC 'SIDANCO' – OJSC 'TNK-BP Management', where he held several positions including Deputy General Counsel, General Counsel of SIDANCO's branch in Saratov, Deputy General Counsel of SIDANCO branch – Head of Legal Department. Mr Redkin joined OJSC SUEK in 2005, initially as Deputy General Counsel, and in 2008 was appointed General Counsel.

Mr Redkin graduated from the Saratov Law Institute in 1986.

Irina Zaytseva, 37
Procurement Director



From 2002 to 2011, Ms Zaytseva worked at OJSC Uralkali, a potash mining company, where she held a number of senior positions including Director of Inventory and Logistics. She was appointed Procurement Director of SUEK in May 2011.

Ms Zaytseva graduated in 1998 from Perm State University, Faculty of Law and from the State University – Higher School of Economics, Faculty of Economics in 2001.

Alexander Dolgoplov, 34
Chief Audit Executive



From 2000-2005 Mr Dolgoplov worked as an assistant manager in the Energy and Mining Department at PricewaterhouseCoopers. In 2005 he joined the Internal Control and Audit Department at OJSC SUEK as Head of the Audit Division and was subsequently appointed Chief Audit Executive.

Mr Dolgoplov graduated from MGIMO University (Moscow State Institute of International Relations) of the Ministry of Foreign Affairs of Russia, faculty of International Economic Relations, and is a Member of the Institute of Internal Auditors (IIA, USA).

Andrei Mironov, 48
General Affairs Director



Mr Mironov spent the early part of his career in the Federal Security Service. In 2007 he joined an oil company as Deputy General Director for security. He joined SUEK in 2011 as General Affairs Deputy Director and was appointed General Affairs Director in 2012.

Mr Mironov is a graduate of the Leningrad Higher Military Commanders' Training School, the Academy of Federal Security Service and the Academy of National Economy (now the Russian Presidential Academy of National Economy and Public Administration).

OJSC SUEK's corporate governance continued

SUEK's governing bodies

SUEK's principal governing bodies are the General Meeting of Shareholders, the Board of Directors, the Management Board and the Chief Executive Officer.

General Meeting of Shareholders

The General Meeting of Shareholders is SUEK's highest governing body. It has authority over decisions relating to the Company's most significant operations, including amendments to the Charter, reorganisation and liquidation issues, an increase or decrease in share capital and election of the Board of Directors.

The most recent annual General Meeting of Shareholders was held on 20 June 2013. Decisions taken at the meeting included the approval of the Annual Report and financial statements for 2012, election of the Board of Directors and reappointment of KPMG as external auditors. A complete list of resolutions adopted at the Meeting is available on the Company's website.

From 1 June 2013 SUEK PLC became the sole shareholder of OJSC SUEK. Among the decisions adopted by the shareholder are the election of a new Board of Directors, approval of the amended Charter and the remuneration of the Board of Directors, as well as the approval of major transactions on financing.

Board of Directors

The Board of Directors determines the mission and strategic direction of the Company. Its principal aim is to ensure that the management is able to run the Company efficiently, leverage strategic opportunities, adequately assess risks and provide for SUEK's sustainable development over the longer term. The breadth of knowledge and extensive experience of our Board members provides a robust foundation for our business activities and ensures a high level of strategic oversight.

Since 2005, SUEK's Board has included independent Directors. As at 31 December 2013, six out of the total of nine Directors (excluding the Chairman) were independent. Independence criteria are set out in the Board of Directors' Regulations and comply with the Bank of Russia Code of Conduct and the UK Corporate Governance Code.

The Board works closely with SUEK's senior management to support an effective exchange of information between Board meetings. Directors receive monthly reports, notification of significant Company events and market and industry news. Members of the Board also participate in informal consultations within the business and visit the Company's production facilities.

In 2013, the Board held six face-to-face meetings and 27 meetings *in absentia* and based its work on the professional judgements and recommendations of its three committees:

- the Strategy Committee;
- the Audit Committee; and
- the Nomination and Compensation Committee.

The responsibilities of the Committee for Health and Safety and Production Performance (HSPP Committee), established in September 2012 and disbanded in 2013, reverted to the Strategy Committee and the Nomination and Compensation Committee. This decision was made because, on the one hand, production safety issues are a strategic priority and are considered during strategic decision-making processes. On the other hand, production safety is a key element of our production culture and employee behaviour. It was therefore decided that these two Committees should be asked to examine these matters.

All Board members may attend the meetings of any Committee. The Office of the Board of Directors is managed by the Company Secretary. Briefing materials are made available in advance of Board meetings, allowing Directors to review matters for discussion in depth and perform more effectively. Board documentation is available in English and Russian.

The Company employs IT solutions that enable Board members to work with the corporate archive (minutes of meetings and Board papers) remotely.

Composition of the Board

As at 31 December 2013 the Board of Directors of OJSC SUEK consisted of:

- Andrey Melnichenko (Chairman)
- Alexander Landia (Independent Non-executive Director)
- Vladimir Rashevskiy (Chief Executive Officer)
- Dmitry Bosky (Independent Non-executive Director)
- Klaus-Dieter Beck (Independent Non-executive Director)
- Jaroslav Mil (Independent Non-executive Director)
- Clifford Kent Potter (Independent Non-executive Director)
- Richard Sheath (Independent Non-executive Director)
- Dmitry Strezhnev (Non-executive Director)



See pages 88-90 for biographies of the Board of Directors.

Changes in composition of the Board in 2013

The composition of the Board of Directors changed significantly during the year. This was the result of a consistent effort to engage independent Directors whose competencies align with the Company's development goals.

On 1 January 2013 the Board of Directors comprised the following members:

- Martin Andersson
- Klaus-Dieter Beck
- Dmitry Bosky
- George Cardona
- Alexander Landia
- Roger Munnings
- Andrey Melnichenko
- Vladimir Rashevskiy
- Dmitry Strezhnev
- Richard Sheath

Changes during the year:

- George Cardona (Non-executive Director) resigned from the Board (resolution of the Extraordinary General Meeting of Shareholders, 22 February 2013);
- Roger Munnings (Independent Director) resigned from the Board (resolution of the Annual General Meeting of Shareholders, 22 June 2013);
- Martin Andersson (Non-executive Director) resigned from the Board of Directors (resolution of the Sole Shareholder of SUEK, 19 September 2013);
- Jaroslav Mil (Independent Director) was elected as a member of the Board (resolution of the Annual General Meeting of Shareholders, 22 June 2013);
- Clifford Kent Potter (Independent Director) was elected as a member of the Board (resolution of the Sole Shareholder of SUEK, 19 September 2013).

Changes after the reporting date:

- Dmitry Bosky (Independent Director) resigned from the Board (resolution of the Sole Shareholder of SUEK, 30 December 2013).

As a result of the scheduled turnover, two new independent Directors were elected to the Board: Jaroslav Mil and Clifford Kent Potter.

Andrey Melnichenko was Chairman of the Board of Directors throughout the year.

OJSC SUEK's corporate governance continued

SUEK's governing bodies

Meetings of the Board of Directors

| Director | Board of Directors | Audit Committee | Nomination and Compensation Committee | Strategy Committee | HSPP Committee ¹ |
|-----------------------------------|-------------------------|-----------------|---------------------------------------|--------------------|-----------------------------|
| Total meetings² | 6 (27) | 9 | 6 (1) | 6 | 2³ |
| Martin Andersson | 3 (21) ⁴ | – | – | – | – |
| Klaus-Dieter Beck | 5 (27) ⁵ | – | 4 (1) ⁶ | 3 ⁷ | 1 ⁸ |
| Dmitry Bosky | 6 (27) | 9 | 6 (1) | – | – |
| George Cardona | 0 (3) ⁹ | – | – | – | – |
| Alexander Landia | 6 (27) | – | 6 (1) | 6 | – |
| Roger Munnings | 2 (12) ^{10,11} | 4 | – | – | – |
| Jaroslav Mil | 4 (14) ¹² | – | 3 ¹³ | – | – |
| Andrey Melnichenko | 6 (27) | – | – | 6 | – |
| Clifford Kent Potter | 3 (6) ¹⁴ | 3 ¹⁵ | – | – | – |
| Vladimir Rashevskiy | 6 (27) | – | – | 6 | – |
| Dmitry Strezhnev | 6 (27) | – | – | 6 | 2 |
| Richard Sheath | 6 (27) | 9 | – | – | – |

¹ The HSPP Committee was disbanded on 20 June 2013. Its functions were transferred to the Nomination and Compensation and the Strategy Committees.

² The number of meetings *in absentia* is given in brackets.

³ On 15 April 2013 a joint meeting of the Strategy Committee and HSPP Committee took place.

⁴ Mr Andersson resigned from the Board on 19 September 2013.

⁵ Mr Beck did not participate in the Board meeting on 17 April 2013.

⁶ Mr Beck did not participate in the Nomination and Compensation Committee meetings on 16 April 2013 and 17 December 2013.

⁷ Mr Beck joined the Strategy Committee on 20 June 2013, but did not participate in the meeting on 16 December 2013.

⁸ Mr Beck did not participate in the joint meeting of the Strategy Committee and HSPP Committee on 15 April 2013.

⁹ Mr Cardona resigned from the Board on 22 February 2013.

¹⁰ Mr Munnings resigned from the Board on 20 June 2013.

¹¹ Mr Munnings did not participate in the Board meeting on 14 March 2013.

¹² Mr Mil joined the Board on 20 June 2013.

¹³ Mr Mil was elected to the Nomination and Compensation Committee on 2 September 2013.

¹⁴ Mr Potter joined the Board on 19 September 2013, but did not participate in the Board meeting on 27 December 2013.

¹⁵ Mr Potter was elected to the Audit Committee on 20 September 2013.

Board remuneration

Directors' remuneration is determined by a number of factors including overall performance of duties and membership and/or chairmanship of Board committees.

The total amount of remuneration paid to members of the Board of Directors in 2013 amounted to \$1,223,248. The total amount of expenses reimbursed to Board members in 2013 was \$25,182.

Board of Directors – performance results

In 2013 the Board held six face-to-face meetings and 27 meetings *in absentia*. Discussions focused on issues related to the strategic development of the Company and its business segments.

Production safety issues remained the fundamental priority for the Board of Directors. They analysed the causes and consequences of emergencies resulting in production downtimes or accidents and evaluated management action for learning lessons and implementing appropriate measures.

The disaster at Mine No.7, in which eight miners lost their lives, resulted in a renewed drive to toughen occupational safety requirements. The Board commissioned extensive inspections of several mines through RAG Mining Solutions and an action plan was developed and implemented to prevent such tragedies in future. Klaus-Dieter Beck, Independent Director, participated in the technical auditors' work and visited Mine No.7, Kotinskaya mine, Taldinskaya-Zapadnaya 1 and Taldinskaya-Zapadnaya 2. His recommendations were presented to the Board of Directors.

The Board reviewed an integrated strategy for the next ten years, as well as individual strategies by segment and function, including a logistics strategy for 2013-2016 and sales strategies for individual market segments. Strategies for major enterprises were revised, including those in Kuzbass, Khakasia, Krasnoyarsk, Buryatia, Ural and others.

The Company implemented a range of actions to compensate for the negative coal market situation and increase the productivity of SUEK's mines. These are intended to review the investment portfolio, optimise production, procurement, transportation costs, sales policy and to monitor and reduce expenditure.

The Board analysed management's strategic initiatives to expand the resource base and approved a number of important investment projects to expand production and processing capacity and develop port and railway capacities.

The Board also identified top managers' goals for 2014 in conjunction with the Company's strategic priorities. Senior managers will have greater accountability for achieving KPIs in industrial and occupational safety.

In co-operation with government agencies, a number of measures were devised to develop the Russian coal industry, and overcome the major constraints to growth of the coal business – for SUEK in particular.

Board evaluation

The performance of the Board is assessed on a regular basis. Under the supervision of the Nomination and Compensation Committee, the annual evaluation of the Board of Directors' work was conducted. In 2013, this appraisal was conducted via a survey, in which Directors were asked to express their degree of satisfaction with the state of affairs in the key areas of Board activity. After discussion, the Committee identified steps that can be taken to improve processes that are especially important for new Directors, such as improving how they are informed and establishing a stronger rapport with management. A new approach was adopted for planning work that will help the Board focus on Company priorities and rationally use the resources provided both by management and the Board.

Management Board

The day-to-day activities of the Company are overseen by an executive body, comprised of the Chief Executive Officer (CEO) and the Management Board.

The CEO is appointed by the Board of Directors for an indefinite term. Vladimir Rashevskiy has been CEO of SUEK since 2004 and chairs the Management Board. The principal tasks of the CEO and Management Board include the timely and effective execution of decisions arising from the General Meeting of Shareholders and the Board of Directors, as well as coordination of the Company's overall development strategy and activities.

The Management Board acts in the interests of the Company and its shareholders and reports to the General Meeting of Shareholders and to the Board of Directors. In accordance with the Company's Charter, members of the Management Board may not account for more than one-quarter of Board members.

As at 31 December 2013, the Management Board of OJSC SUEK membership was:

- Vladimir Rashevskiy – Chief Executive Officer
- Vladimir Artemiev – Production Director
- Igor Gribovsky – Sales and Marketing Director
- Kuzma Marchuk – Director of Economics and Finance (CFO).

OJSC SUEK's corporate governance continued

SUEK's governing bodies

During the year the Management Board held 23 meetings, including 12 face-to-face and 11 *in absentia*. 90 issues were discussed. The principal focus of discussions in 2013 included:

- taking prompt managerial decisions when actual results of operations deviate from forecasts. Improving the preparation and analysis of management statements to facilitate detailed discussion of current operations;
- leading implementation of key measures as part of the overall strategy, the various areas of business and regional production units, and handling related matters;
- regularly examining reports from regional production units and discussing key aspects of their operations;
- improving industrial safety and risk management procedures;
- leading implementation of the investment programme, ensuring effective implementation of major investment projects and improving how they are monitored;
- aspects of strategy in key sales sectors of export and domestic markets;
- implementing a programme to develop integrated logistics and ensure the infrastructure has enough throughput capacity for SUEK's coal exports;
- leading implementation of specific key business tasks for 2013 (eg increasing the pace of coal work and reducing time taken for equipment relocations in Kuzbass, completing the programme to eliminate outsourcing, executing projects to boost operational efficiency and choosing a programme to open up the Apsatsky open pit);
- studying new strategic development opportunities (eg acquiring new licences, reconfiguring the electricity business, transport assets);
- devising a new HR management strategy, emphasising staff and management motivation issues and introducing draft principles for long-term motivation. Examining issues relating to reducing staff shortages, undertaking organisational development and improving the structure of functional divisions; and
- devising a new IT strategy on the basis of an IT systems and infrastructure audit.

Management Board remuneration

Members of the Management Board and the CEO of the Company are remunerated via a fixed component (salary) and a variable component (bonus). The fixed element is established according to members' respective duties while the variable element provides an incentive for members to achieve the Company's strategic goals and facilitates the recruitment and retention of key individuals.

The size of the annual bonus is determined based on the attainment of key performance targets, which are determined annually for each member of the Management Board and individually for the CEO, based on the strategic goals of the Company. The total amount of performance-based remuneration paid to members of the Management Board and the CEO in 2013 was \$5,918,458.

Accountability and effectiveness

Robust risk management is essential if SUEK is to achieve its strategic objectives and long-term sustainable growth. We therefore operate internal systems of control and audit that help to ensure the effective management of risk across the business.

Internal control and audit

Management is responsible for developing and implementing internal controls within SUEK. The Internal Control and Audit Department (ICAD) verifies their existence and monitors their effectiveness. The department's activities are focused on the assessment of:

- safeguarding of assets;
- quality of the reporting process;
- compliance with legal, regulatory and internal frameworks; and
- risks related to projects, processes, decisions and contracts – and the management of these risks.

SUEK's internal control system covers all key business processes including the preparation of financial statements, the system for collecting, processing and transferring information, and the generation of reports and communications containing operating, financial and other information.

ICAD's assignments within SUEK are conducted by teams with the requisite skills and experience. Internal audit guidelines and manuals cover the main procedures for key areas. The team reports on the results, including: the purpose of the assignment, the audit programme involved, inefficient controls identified, estimates of actual or potential losses and recommendations aimed at mitigating risk.

On completion of an audit, findings are communicated to management and the Audit Committee, and a rectification plan is developed. The results of the plan's implementation are assessed by ICAD specialists during subsequent assignments to establish whether the identified risks have been addressed and mitigated.

Fraud prevention

The Company operates a programme of activities aimed at combating fraud, theft and corruption. This comprises physical controls and technical measures, the promotion of honest behaviour by employees and the involvement of employees in identification and prevention of theft. Scheduled and unscheduled inspections are held regularly to review inventories and cash.

Several channels of communication are available to employees to notify management of any actions they consider fraudulent. Channels include email, a telephone 'hotline' and post. The provision of information is encouraged through a system of financial reward for identified fraudulent activities, depending on the extent of loss or potential loss resulting from the fraud.

Risk Management Committee

The responsibilities of the Risk Management Committee (which is a management committee, not a Committee of the Board) include overseeing the effectiveness of the risk management and internal control systems within SUEK and drafting recommendations on how to improve procedures. The Committee is responsible for approving the map of key risks and monitoring the operations' ability to mitigate them.



See pages 62-67 for more details of our risk management policy and processes.

OJSC SUEK's corporate governance continued

Committees of the Board of Directors

Strategy Committee



"The Strategy Committee shapes the development strategy for the Company. It implements a range of actions to mitigate any adverse effects of the global coal market environment, such as those observed during 2013."

Andrey Melnichenko

Chairman of the Strategy Committee
Chairman of the Board of Directors

 See page 88 for biography.

Members

Andrey Melnichenko (Chairman of the Committee)
Klaus-Dieter Beck
Alexander Landia
Vladimir Rashevskiy
Dmitry Strezhnev

In 2013, the Committee held six face-to-face meetings.

Primary responsibilities

- Prepare recommendations for the Board of Directors concerning medium-term and long-term development strategies.
- Evaluate how SUEK responds to changing macroeconomic and market situations as well as the Company's cash flows, financing and investment programmes.
- Assess the state of industrial and environmental safety conditions at SUEK Group enterprises, and develop and monitor the system of key safety indicators.
- Analyse how strategic initiatives, risks and other factors may affect SUEK's performance.
- Prepare solutions that enable SUEK to make the most of its strategic advantages and new business opportunities.

Actions during 2013

- The Committee's agenda was driven mainly by the Board's work plan.
- The Committee reviewed the consolidated strategy for the next ten years, as well as individual strategies by segment and function, and plans for developing crucial and problem enterprises.
- The Committee implemented a set of actions to mitigate against the adverse coal market situation and increase SUEK's competitiveness.
- Production safety issues were high on the Committee's agenda. The Committee commissioned international experts RAG Mining Solutions to conduct integrated inspections.
- The Committee reviewed management's strategic initiatives and – allowing for existing risks – approved a number of proposals to expand the resource base, increase capacities, and purchase or sell individual assets etc.

■ Priorities for 2014

- Implementation of previously approved strategies and plans for developing business-critical enterprises.
- Identification of investment priorities and analysis of strategic options and their risks, organisational effectiveness, etc.
- Development of a concept for transferring to a new economic model of managing the Company with the aim of increasing shareholder value.

 See page 96 to review our Strategy Committee meetings and attendance.

Nomination and Compensation Committee



"The Nomination and Compensation Committee continues to work on all aspects of human resources and governance as the Company transforms itself to the new model of management. In 2013 it was enhanced by the addition of two new Directors with substantial international experience in health, safety and environmental issues."

Alexander Landia

Chairman of the Nomination and Compensation Committee, Independent Director

 See page 88 for biography.

Members

Alexander Landia (Chairman of the Committee)

Klaus-Dieter Beck

Dmitry Bosky (until January 2014)

Jaroslav Mil

In 2013, the Committee held six face-to-face meetings.

Primary responsibilities

- Assist management with HR strategy, nominations and compensation, corporate governance and social issues.
- Ensure continuity and strength of leadership and the creation of a talent pool.
- Evaluate and create training and development programmes for various management levels.
- Evaluate the effectiveness of controls over compliance with HSE regulation and internal policies and risk mitigation approaches.

Actions during 2013

- During the year the Committee monitored implementation of the HR strategy, identified key issues and assessed management actions to solve them.
- We implemented a pilot project for labour rate-setting at our Komsomolets mine and our Tugnuisky open pit. This allowed us to increase the quality of planning and personnel management, by assessing whether current recruitment methods are appropriate and successful and matching staffing numbers to production requirements. We also analysed management action to provide competent staff to mines, especially Urgal.

- The Committee worked to improve business processes and transferred to a target-based organisational structure.
- We set targets for top managers for 2014. These allow for the corporate EBITDA index in bonus cards, not only for key managers, but for all participants in the short-term incentives that affect achievement of targets either directly or indirectly. Top managers now have more stringent accountability for achieving KPIs in industrial and occupational safety.
- Under the Committee's supervision, systems for incentivising management were improved to align with SUEK'S strategic goals, including a newly-developed system of motivation for the head of the Sales Department.
- In consultation with shareholders, the Committee worked on attracting competent and active Directors to the Board and facilitated their involvement in the Company's activities. This resulted in the appointment of two new independent Directors with power generation and finance backgrounds.
- The Committee also arranged the annual evaluation of the Board and its activities.

Priorities for 2014

- Industrial and occupational safety.
- Monitoring the implementation of the HR strategy.
- Improvement of SUEK's organisational structure, including developing targets and concepts for management restructuring.
- Review of the 2014 targets and setting of management targets for 2015 in line with the Company's priorities.
- Recommendations for key appointments to the management team and Board.
- Creation of an effective incentive system.
- Assurance of continuity in the Company's management.
- Design of an integrated continuing professional development programme for Board members, supporting them to efficiently realise their professional potential developing policy decisions that contribute to the sustainable and profitable long-term development of SUEK.

 See page 96 to review our Nomination and Compensation Committee meetings and attendance.

OJSC SUEK's corporate governance continued

Committees of the Board of Directors

Audit Committee



"During 2013 the Audit Committee was particularly satisfied with the thoroughness and efficiency of the financial reporting and auditing processes. Again SUEK PLC has issued audited annual IFRS accounts within a month of the year end – a highly creditable achievement. The Committee was also pleased to see progress during the year in the

risk management approach, with the operation of the Risk Management Committee and more thorough development of the risk register. Controls around investment evaluation and planning processes have also brought greater rigour, control and accountability."

Richard Sheath

Chairman of the Audit Committee
Independent Director



See page 90 for biography.

Members

Richard Sheath (Chairman of the Committee)
Dmitry Bosky (until January 2014)
Clifford Kent Potter

In 2013, the Committee held seven face-to-face meetings and two meetings by conference calls.

Primary responsibilities

- Ensure the integrity of financial and other reporting.
- Supervise the preparation of annual financial statements and review the independent auditor's report and management letter.
- Assess the effectiveness of the external audit process;
- Oversee the internal control and risk management system including approval of procedures for internal control and monitoring of effectiveness.
- Oversee the Internal Control and Audit Department including reviewing of its audit findings on a quarterly basis and an annual effectiveness review.

Actions during 2013

- The Committee agreed an annual agenda with management, which ensures it is meeting its formal responsibilities. This included more specific reviews of particular aspects of internal control and risk management to ensure these are covered in depth.
- The IFRS financial statements were produced only for SUEK PLC. However, as this primarily consists of the operations of SUEK OJSC, the Audit Committee (as the Audit Committee of SUEK OJSC) made a recommendation to the SUEK PLC Board on the approval of the SUEK PLC IFRS accounts. Much of the Committee's work therefore focused on supervising the delivery of reliable and consistent financial statements by SUEK PLC. In 2013 a one-off exercise was conducted to audit the end-March IFRS financial statements. The usual end-June IFRS statements were also subject to review by KPMG.
- The financial statements for the year ended 2013 were published before the end of January. This was made possible by the management and auditor's work on the financial statements during November. This enabled the Audit Committee to discuss issues identified at that stage before the year end, so that any outstanding questions from the Committee could be investigated at an early stage. The Committee was pleased with the very limited number of unadjusted differences as agreed with the auditors.
- During 2013 the Committee paid particular attention to the valuation of mineral rights, impairment testing and the accuracy and valuation of inventory. The accounting for the investment in Murmansk Commercial Seaport also received particular attention.
- As part of the annual assessment of the efficiency of auditing processes, the Committee undertook a detailed review of the effectiveness of the external auditors. This included a questionnaire-based review of the opinions of stakeholders who have interaction with the auditors. KPMG also gave their opinion. The assessment was followed by a specific discussion with the auditors at a Committee meeting at which the KPMG relationship partner was present as well as the engagement partner. A number of actions were identified for both the auditors and management to address, but these were minor in nature. The Committee held two meetings with the external auditor partner without the presence of management; this partner also attends all Committee meetings.

- Under the Committee's supervision, an independent assessment of the effectiveness of the internal audit function was conducted by the Institute of Internal Auditors in Russia. The results enabled the Committee to agree recommendations for the further development of the internal control and audit function.
- As part of its routine activities, the Committee reviewed the reports of the Internal Control and Audit Department each quarter, and approved the internal audit plans and the department's budget.
- The Committee also worked closely with management to develop an improved structure for the Annual Report and the Corporate Social Responsibility Report. It is keen to ensure that stakeholders have the information they need to assess the Company's performance and risks. Having steered through changes in structure, format and content over the 2013 reporting cycle, it will pay particular attention to controls around non-financial indicators in 2014.
- Work on the format and content of management reports is ongoing. The Committee focuses on analytical sections, insisting on inclusion of representative data and strategic KPIs and clear interpretation of factors that affect achievement of the Company's goals.
- The Committee worked with management to develop risk management systems that are more effectively integrated into specific business processes. This work will continue throughout 2014 as management looks to implement a new approach to core business processes. The Committee also looked closely at IT risk management – and this will continue as IT systems are developed to support the new business process development.
- The control of the investment process was evaluated, leading to recommendations for project management standards, methods of project assessment, reporting on project management consistent with international standards, and accountability for implementation. The Committee also reviewed a number of internal policies and practices including Company security, communication processes in the case of emergencies, transfer pricing, compliance with anti-monopoly and anti-bribery laws and liability insurance for Directors and officers.

Priorities for 2014

- Assurance of the quality of the risk management system, including further embedding into specific process areas.
- Management control of non-financial parameters in reporting.
- Supervision of compliance with regulatory requirements.
- Project governance for future IT system development.



See page 96 to review our Audit Committee meetings and attendance.