

NOMINATIONS COMMITTEE REPORT



Sir Michael Peat
Senior Independent Non-Executive Director,
Chairman of Nominations Committee

The Nominations Committee has continued to review developments in corporate governance and to ensure that the Group adheres to best practice. It monitors the Board's composition to ensure that it remains appropriate for the Company. With two of the five independent non-executive directors needing to retire at the 2021 annual general meeting having completed nine years on the Board, a search process has commenced. Currently, two of the Board's nine members are female, which is below the Hampton-Alexander review recommended level. This will be taken into account when the next director appointment is made; however, all appointments will be made on the basis of merit.

The Board delegates the Nominations Committee's role and responsibilities, which are set out in the written terms of reference: <https://www.evraz.com/en/company/governance/policies/#reference>

ROLE

The Nominations Committee is responsible for making recommendations to the Board on the structure, size and composition of the Board and its committees. It also oversees succession planning for directors and senior management.

COMMITTEE MEMBERS AND ATTENDANCE

The Nominations Committee members at 31 December 2020 were Sir Michael Peat, Alexander Izosimov, Karl Gruber, Alexander Abramov and Eugene Shvidler. Sir Michael Peat served as the chairman of the Nominations Committee throughout the year.

Three of the five committee members were independent non-executive directors.

The committee met on three occasions during 2020. As reported on **page 110**, all members were in attendance for all meetings.

The CEO attended all meetings and the company secretary acted as the committee's secretary.

ACTIVITY DURING 2020

During 2020, the Nomination Committee considered the following matters.

Board and committee composition

The Board agreed that its size and its committees were appropriate for the Group's ongoing needs. The committee determined that the Board represented a good mix of skills and experience. It also found that

EVRAZ had benefited from having a stable board and a group of people who interact well.

Succession planning

The Nominations Committee considered succession planning for the independent non-executive directors, in the context of length of service. Three of the five independent non-executive directors

are due to retire at the 2021 or 2022 AGMs. The search for their replacements commenced in 2020.

The committee also paid close attention to senior management succession.

The committee has engaged The Inzito Partnership as an external search consultancy to assist with the recruitment of two independent non-executive directors

to join the Board during 2021. The Inzito Partnership has no other contractual relationships with the Group.

Board performance evaluation

In 2020, as required by the UK Corporate Governance code, the Company undertook a Board performance evaluation using an external facilitator, Lintstock LLP. Following the review's conclusion,

the committee considered the outcome of the report and prepared an action plan for the Board to review and agree. The plan reflected continuing improvements to the Board process, information flow and induction.

The outcome of the review and the action plan are described in the Corporate Governance section on **page 111**.

Independence of non-executive directors

The Nominations Committee reviewed the independent status of the non-executive directors based on the provisions in the UK Corporate Governance Code. It confirmed the appropriateness of the independent status of each of the independent non-executive directors.

PERFORMANCE OF CHAIRMAN AND INDIVIDUAL DIRECTORS

The senior independent non-executive director sought views from all directors about the performance and contribution of the chairman. The conclusions of this review were considered by the independent non-executive directors at a meeting on 19 February 2021.

The review concluded, as previously, that the chairman continues to make an important contribution to the Group, including through his industry knowledge, experience and contacts. It also noted that the chairman was not independent on appointment as required by Provision 9 of the UK Corporate Governance Code. However, it found that in view of his experience and knowledge, his independence of judgement was not considered to be impaired.

In addition, the review noted that the chairman has been in his post since the IPO in October 2011. He has therefore served in excess of nine years, longer than the limit suggested by Provision 19 of the Code. The Nominations Committee has considered this situation and, as described above, values his extensive experience and expertise of the Group's key markets and of the steel

sector. The committee believe his continuing as chairman is in the Company's best interest. In addition, during a period of transition of board members having the same chairman helps with the Board's continuity and stability. The committee therefore, with the chairman recusing himself, recommended to the Board that he be put forward for re-appointment at the 2021 AGM.

The chairman of the Group and the chairman of the Nominations Committee discussed the performance of the individual directors, including time available to devote to the Group's business. They noted no concerns and determined that no independent non-executive director had a significant number of roles.

Diversity policy

The Board's diversity policy is to have Board membership that reflects the international nature of the Group's operations and includes at least two women as board members.

The Board currently meets these criteria.

The committee continues to review and monitor the Group's performance against its diversity policy, including aspects such as age, gender and educational and professional backgrounds. More information about diversity is disclosed in the CSR report on **page 69**.

The Nominations Committee and the Board are committed to meeting best practice standards in gender and ethnic diversity. While the nature of the steel and mining industries makes this more challenging, it does not diminish the committee's and the Board's commitment. In 2020, the committee discussed Board diversity amid the search for two new independent non-executive directors to replace those retiring after having served their nine year terms. The Board hopes to be able to appoint another female director and a director who will broaden the Board's ethnic diversity. It will, of course, balance this with appointing directors who can best serve the Company's and shareholders' interests by providing excellent governance and appropriate challenge. It is also important for one of the new directors to have knowledge of operating an integrated steel business substantially based in the Russian Federation.

2021 PRIORITIES

The Nominations Committee will continue to fulfil its general responsibilities with particular emphasis on compliance with the UK Corporate Governance Code, Board diversity and succession planning.

The committee will conclude a search to replace those independent non-executive directors who will stand down at the 2021 AGM after serving for nine years.

In addition, the committee will continue to consider development and succession planning for senior management.