

Nominations committee report



Sir Michael Peat

Senior Independent Non-Executive Director,
Chairman of Nominations Committee

The Board delegates the Nominations Committee's role and responsibilities, which are set out in written terms of reference

<https://www.evraz.com/en/company/governance/policies/#reference>

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. 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. With three of the five independent non-executive directors likely to retire at the 2021 or 2022 AGM, having completed nine years on the Board, a search process will commence in 2020.

ROLE

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

COMMITTEE MEMBERS AND ATTENDANCE

The Nominations Committee members at 31 December 2019 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 2019. As reported on page 114, 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 2019

During 2019, the committee considered the following issues.

Board and committee composition

The Board agreed that the size of the Board and its committees was appropriate for the Group's ongoing needs. The committee agreed that the Board represented a good mix of skills and experience, and that the Group had benefited from having a stable board and a group of people who interact well.

Succession planning

The committee considered succession planning for independent non-executive directors, in the context of the length of service of each of the current independent non-executive directors. With three of the five independent non-executive directors due to retire at the 2021 or 2022 AGMs, it was agreed that a search process for replacement non-executive

directors would commence in 2020. The committee also paid close attention to senior management succession.

Currently the Committee has not engaged any external search consultancies to assist in recruitment.

Board performance evaluation

In 2017, as required by the UK Corporate Governance code in effect at the time, the Company undertook a Board performance evaluation using an external facilitator, Lintstock LLP. In October 2019, the company secretary undertook a follow up internal evaluation under the guidance of the Nominations Committee. Following the 2019 review's conclusion, the committee considered the outcome of the report and prepared an action plan for the Board to review and agree, which 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 115.

Independence of non-executive directors

The committee undertook a review of 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. The Committee noted that Ms Gudgeon had been appointed an independent non-executive director of Highland Gold Mining Ltd, the shareholders of which include some of the Group's significant shareholders. It considered that as the companies operate in different markets and that as the level of remuneration is not material, the appointment does not compromise Ms Gudgeon's independence.

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 12 December 2019.

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

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, and noted no concerns.

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, as disclosed in the CSR report on page 91.

The Nominations Committee and the Board are committed to meeting best practice standards in gender 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.

2020 priorities

The 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 commence a search programme to ensure that it can replace those independent non-executive directors who will need to stand down at the 2021 or 2022 AGMs, having completed nine years as a director.

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