AUDIT COMMITTEE REPORT

Deborah Gudgeon
Independent Non-Executive Director

I am pleased to present the Audit Committee Report for the year ended 31 December 2021.

There were a number of changes to the composition of the committee during the year. Laurie Argo stepped down upon her retirement from the board in June 2021, replaced by James Rutherford and Stephen Odell. I would like to thank Laurie for her diligent contribution to the work of the committee and welcome Jim and Stephen. Maria Gordon joined the Audit Committee from 1 February 2022 following her appointment to the Board.

COVID-19 continued to effect the committee's work and all meetings during 2021 were held virtually. The impact of the pandemic on all aspects of the committee's responsibilities and work was regularly evaluated throughout the year. However, I am pleased to report that the committee met in person in Moscow in January 2022 and also visited the operations of EVRAZ NTMK and EVRAZ KGOK.

As always, I would like to extend the thanks of the committee to the executive and financial management of the Group, the internal audit department and our external auditor, EY, for their continuing diligence and valued contribution to the work of the committee during 2021.

ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The work of the committee is determined by its terms of reference. These were updated during 2021 to reflect latest best practice and, in particular, effective and appropriate co-ordination with the Sustainability Committee. The updated terms of reference were approved by the board in 14 December 2021 and can be accessed at: www.evraz.com.

The Audit Committee minutes are tabled at board meetings and the Chairman provides an oral update on the committee proceedings. Key matters and recommendations are communicated to the board on an ad hoc basis if appropriate.

The Audit Committee reviews the Group's governance, risk and control environment annually, together with the risk register and risk appetite proposed by management, before they are considered by the board.

I confirm, on behalf the Group, its compliance during the year commencing 1 January 2021 with the provisions of the Competition and Markets Authority Order 2014 on mandatory tendering and audit committee responsibilities.

COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee members are all independent non-executive directors and have a wide range of skills and experience. Deborah Gudgeon is a chartered accountant with recent and relevant financial experience. Alexander Izosimov and Stephen Odell provide key strategic, industrial and commercial expertise. Jim Rutherford brings further recent and relevant financial experience. As disclosed in the Corporate Governance Report on pages 118-119, Olga Pokrovskaya attends the Audit Committee meetings by invitation, providing additional technical expertise and valuable regional knowledge.

The CFO and senior members of the Group's finance function, the head of Internal Audit and the external auditors attend all committee meetings. During the year, key members of the executive management team and Risk Management Group are invited to present to the Audit Committee on specific matters relevant to the committee's work.

The committee met ten times during 2021 and three times in early 2022 prior to the publication of this Annual Report. Two of the meetings in 2021 related to specific single topics, namely the independence of the external auditor and the accounting treatment for the demerger of PSJC Raspadskaya ("Raspadskaya") in the 2021 financial statements.

ACTIVITIES AND WORK OF THE COMMITTEE IN 2021

The Audit Committee has continued to focus on the integrity of the Group's financial reporting, the related internal control framework and risk management including finance, operations, regulatory compliance, corruption and fraud. These areas were comprehensively reviewed and the committee requested and received regular updates from the Group's financial and operational management, internal audit, compliance officer and vice president of legal affairs and security, as well as the external auditor.

The FRC undertook a limited scope review of the EVRAZ viability and going concern disclosures in the 31 December 2020 Annual Report and Financial Statements during 2021 as part of their Thematic Review. The review was based upon the relevant legal and accounting framework rather than a detailed knowledge of the EVRAZ business or underlying transactions but raised no questions or queries regarding the disclosures in the Annual Report and Financial Statements.

During 2021, the Audit Committee focused on the significance of climate related matters for the Group and the work of the committee, in particular the risk and control profile of the business, financial reporting and TCFD. Consideration of climate-related and ESG factors have been embedded in all aspects of the committee's work, particularly in areas were longer term judgements are required such as viability or impairment modelling and related disclosures. In June 2021, the committee received an update report from Deloitte on climate-related regulation, TCFD and the Group's approach and readiness. In close collaboration with the Sustainability Committee, the committee considered the controls over the collation of non-financial data that underpin key climate and ESG metrics and will keep this evolving area under review in 2022.

The IT security of the Group was reviewed again during 2021 and early 2022. The committee reviewed the results and recommendations of the 2021 information security audit in the Russian Federation together with the digital transformation project. In North America, the IT security mitigation plan was updated and extended to reflect the strong progress already made against key targets and emerging risks. There is now a common IT governance structure across the business headed by the CEO as recommended by the Audit Committee but, given the significance of IT security to the Group's risk profile and resilience, and the level of digital transformation throughout the business, the committee will continue to review this area in 2022 and beyond.

In October 2021, an employee of Raspadskaya admitted offering monetisable services to a state official for two years as set out on page 78. The employee had attended anti-corruption online training and was fully aware of the Group's Anti-Corruption Policy, the Regulations for Interaction with Government Bodies and the Employee Code of Conduct. The Audit Committee considered the implications of this case, in particular that it was uncovered as a result of a Russian police investigation rather than the Group's internal processes. Management were challenged to demonstrate that this was an isolated incident, how the breach was not identified, and their response in terms of upgrading processes, systems and controls to strengthen the compliance framework. An internal compliance investigation revealed no similar arrangements and the enhanced controls over the use of property will be regularly checked by compliance managers across EVRAZ going forward. This will be an area of heightened focus for the committee during 2022.

During the course of the year, the committee received regular updates of the legal risks register to allow consideration of the most appropriate accounting treatment and the effectiveness of the sanctions compliance controls was monitored.

The committee undertook a self-assessment to consider its' own performance and developed a plan to reflect the extended terms of reference and return to in-person meetings.

At the request of the Board, the Audit Committee reviewed the draft Viability Statement and supporting analysis produced by management. The committee considered the scenarios in the context of the updated risk register, current operating environment and Group strategy. In particular, the committee considered the implications of climate change, the highly probable coal demerger and emerging risks over the viability period. The assumptions and mitigating actions underpinning each scenario and the working capital required for the effective operation of the business post demerger were reviewed and tested. Decarbonisation is now recognised as a principal risk of the business and the impact was tested for the first time in 2021 using assumptions agreed with the committee. The committee challenged management's assumptions underpinning the business interruption scenario post demerger and this was updated to reflect an extended downtime.

In the light of escalating geopolitical tensions relating to Ukraine, the committee asked management to model a severe downside scenario to test the resilience of the business to a material and sustained interruption over the viability period. This was considered in the context of the Group's previous ability to withstand market turbulence and reconfigure its' cost base. The scenario assumed a reduction in Russian export sales outside the CIS to nil over the period and the other factors, including further international sanctions. The resulting material reduction in EBITDA was partially mitigated by reduced capital expenditure of $500 million per annum. The scenario assumes that the Group can raise additional capital in 2023 and 2024 but not the additional mitigating actions available to management including further reductions in capital expenditure and other cash costs and the deferral of dividends. The committee considered this severe downside scenario and concluded that it did not threaten the viability of the business.

SIGNIFICANT FINANCIAL REPORTING ISSUES CONSIDERED IN 2021

The Audit Committee's primary objective is to support the Board in ensuring the integrity of the Group's financial statements and Annual Report, including review of:

- Compliance with financial reporting standards and governance requirements;
- The material financial areas in which significant accounting judgements have been made;
- The critical accounting policies and substance, consistency and fairness of management estimates;
- The clarity of disclosures; and
- Whether the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model, strategy, principal risks and uncertainties.

The Audit Committee considered several financial reporting issues in relation to both the interim results for H1 2021 and the financial results for the year ended 31 December 2021. These included the appropriateness of the accounting policies adopted, disclosures and management's estimates and judgements. Papers produced by management on the key financial reporting judgements and reports from the external auditor on the audit process for the full year and interim results were reviewed by the committee.

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the coal assets are classified as an asset held for distribution to owners and a discontinued operation as at 31 December 2021. The effect of this accounting treatment is set out in Notes 2 and 13. The financial statements remain impacted by fluctuations in the key functional currencies of the business (primarily the Russian rouble) against the presentation currency of the financial statements as set out in Note 2 but the effect of these fluctuations was not material in the current year.

Going concern (Note 2)

EVRAZ is exposed to a wide range of risks and inherent uncertainties as set out **on pages 84-96**, many of which are outside the control of the Group. During 2021, high iron ore and coking coal prices combined with rebounding demand supported stronger prices for semi-finished and finished steel products. The Audit Committee reviewed management's going concern analysis which tested two scenarios: a base case and a flexed downside scenario based upon pricing close to the bottom of the range of current investment analyst forecasts. Both scenarios reflect the effect of the highly probable demerger of the coal business (Note 13), the scheduled repayment of debt including US$750 million of US denominated notes due in 2023 (Note 22) and the effect of the new excise tax on liquid steel and higher taxes on mineral extraction introduced by the Russian Federation from 1 January 2022 (Note 30). The risks associated with climate change, in particular the introduction of carbon pricing were considered but are not anticipated to have a significant impact in the going concern assessment period.

Given the heightened geopolitical risk and uncertainties relating to Ukraine, the Audit Committee asked management to test the resilience of the business over the period of the going concern assessment through a severe downside scenario. This assumed a reduction in capital expenditure to US$500 million and tested the extent to which EBITDA could fall over the period while maintaining an operating level of liquidity. This fall in EBITDA reflects a highly material interruption to the Group's current business, reflecting a reduction of Russian export sales outside the CIS to nil and other possible factors, including further international sanctions. The committee considered incremental mitigating actions available to management such as further reductions in capital expenditure and other cash costs and the deferral of dividends.

The committee carefully considered all three scenarios including the projected use and source of funds for the period to June 2023, including scheduled loan repayments, committed funding, free cash flow after committed capital expenditure and the Group's dividend policy. None of the scenarios include any new financing beyond that currently committed although management continue to monitor opportunities for the future raising of funds. Based upon this review, the committee concluded that liquidity is unlikely to be eliminated or covenants breached in any of the three scenarios.

Following these detailed considerations, the Audit Committee resolved to recommend the going concern basis of preparation for the Financial Statements as at 31 December 2021 to the Board.

Significant accounting judgements and management estimates

Accounting Treatment of the PSJC Raspadskaya Demerger (Notes 2 and 13)

The Audit Committee considered the accounting treatment for the potential demerger of the Group's coal business on a number of occasions during 2021. At 30 June 2021, the demerger was still under consideration by the Group and had not been approved by the Board or various regulatory authorities in the UK and Russian Federation. Given the uncertainties, the committee concluded that the classification, measurement and presentation requirements of IFRS 5 should not be applied and Raspadskaya was not accounted for as Assets Held for Distribution to owners in the interim financial statements at 30 June 2021.

On 14 December 2021, the Board approved the proposed demerger of Raspadskaya and a circular detailing the transaction was published. The Audit Committee met on 31 December 2021 to consider the accounting treatment of the demerger. The positive response of the investment community to the circular was considered together with the recommendations from 3 proxy agencies to support the demerger. The committee also considered a report by an independent expert on the potential outcome of the shareholder vote on the transaction. The committee concluded that it was now highly probable that the transaction would complete in the next twelve months and approved the accounting treatment of Raspadskaya as Assets Held for Distribution and, as the coal business is a major business segment of EVRAZ, as a Discontinued Operation.

Impairment of goodwill and non-current assets (Note 6)

The committee considered management's impairment assessment for the financial year in the context of the current and future trading environment of the Group, including assumptions on future prices, the new excise tax on liquid steel and higher taxes on mineral extraction in the Russian Federation, the continuation of tariffs and duties in North America and their impact on the recoverable amount of the affected assets. Impairment testing was undertaken as at 30 September 2021 and reassessed at 31 December 2021 when no further impairment indicators were identified.

A charge of US$30 million is recorded in the financial statements in 2021 (US$310 million 2020) relating to impairments at EVRAZ ZMSK (US$13 million) and EINA (US$9 million), primarily result of the impairment of equipment which was replaced following the EAF fire at the Pueblo steel mill. The balance relates to the discontinued operation of Raspadskaya.

The committee considered management's assumptions and preliminary assessment of the implications of future carbon taxes in the Russian Federation and noted the sensitivity analysis which showed a potential future impairment of EVRAZ ZMSK of US$768 million.

FAIR, BALANCED AND UNDERSTANDABLE

In considering whether the Annual Report is fair, balanced and understandable, the committee considered the information it had received throughout 2021 together with discussions held with management in the year, and the preparation process adopted. The committee also liaised closely with the Sustainability Committee in relation to information and metrics included in the Annual Report relating to TCFD, sustainability management and climate change risks.

After considering the presentation of discontinued operations on the face of the financial statements, the Audit Committee agreed with management that supplementary information not required by IFRS be included in the consolidated financial statements (Note 35) to assist users in understanding the performance of the coal business in the year, supplemented by additional disclosures and the strategic report. This financial information illustrates what the Group's consolidated statements of operations would have looked like if Raspadskaya had not been consolidated. In contrast with the statements of operations presented on the face of the consolidated financial statements, intra-group transactions with Raspadskaya are not eliminated but treated as transactions with a related party, and unrealised profits or losses of Raspadskaya are excluded from the consolidated financial statements of EVRAZ plc.

Preparation of the Annual Report is an iterative process: management agree the key overall messages at an early stage to ensure a consistent message in both the narrative and financial reporting; regular meetings are held to review the draft Annual Report and for management and committee members to provide comments; detailed reviews of appropriate draft sections are undertaken by the relevant directors and board committees and external advisers.

The committee considered whether the description of the business, principal risks and uncertainties, strategy and objectives were consistent with the understanding of the Board, and whether the controls over the consistency and accuracy of the information presented in the Annual Report are robust. Given the escalating geopolitical tension relating to Ukraine, the committee considered whether the potential risks to the business were appropriately and adequately disclosed.

Taking into account the disclosure implications of the issues discussed in this report, the committee recommended to the Board that, taken as a whole, it considers the Annual Report to be fair, balanced and understandable. The Audit Committee recommended approval of the Group's 2021 Consolidated Financial Statements by the Board. Both recommendations were accepted by the Board.

OTHER MATTERS

UKBA

During 2021, two key anti-corruption policies were updated to reflect latest best practice and adopted: On Vetting New Vendors and On Gifts and Business Hospitality. Using the updated framework for monitoring compliance with EVRAZ' anti-corruption policies, compliance during 2021 was tested and the compliance risk register was recalibrated to reflect the results and updated for newly identified risks. The results and updated compliance risk register were reviewed by the Audit Committee in February 2022. Notwithstanding the incident at Raspadskaya, the committee noted further progress in reducing risk.

Anti-corruption training is all online and, as a result, was not impacted by the pandemic. The objectives of the training are set out on page 78. In 2021, the transition to a bespoke internal anti-corruption training programme continued via the Group's Learning Management System. This will create a total internal programme covering anti-corruption, significantly extending the capacity to provide initial and refresher training across the Group. Contractors and vendors can now undertake a new standalone course on EVRAZ' anti-corruption principles which was launched in December 2020. This is now a condition for participating in EVRAZ' tenders.

Sanctions compliance controls

The committee continued to monitor developments in the UK, US and EU sanctions regime in 2021, consider the implications for the Group's control processes, procedures and reporting framework and assess the Group's compliance. The legal department has formal responsibility for sanctions compliance including verification and due diligence on counterparties, contract procedures, internal training of EVRAZ employees and liaising with external legal advisers. During 2022, the legal department plans to digitalise the sanctions control processes.

RISK MANAGEMENT AND INTERNAL CONTROL

This should be read in conjunction with the Risk Management and Internal Control section on pages 122-123.

EVRAZ has an integrated approach to risk management to ensure that the review of and consideration of current and emerging risks inform the management of the business at all levels, the design of internal controls and the internal audit process. The Group's financial reporting procedures, internal controls, risk management systems and activities are documented in a Financial Reporting Procedures (FRP) manual. The updated manual was reviewed by the Audit Committee in January 2022.

The risk profile was reviewed and updated by the Risk Management Group and the Audit Committee in November 2021, and the assessment was finalised in January 2022. The assessment included the updated risk register, management's recommendation on the level of risk appetite of the Group and how that appetite is applied to strategic, financial and operational decisions of the business in practice. Following the review, a new principal risk was added to the register, decarbonisation, and the principal risks relating to potential regulatory actions by government and capital projects were recalibrated to reflect a heightened probability. The committee also reviewed the Statement of Principal Risks and Uncertainties to be included in the Annual Report prior to the Board's consideration.

The risk profile of the business will be reassessed in Q2 of 2022 by the Risk Management Group and Audit Committee following the highly probable demerger of the Group's coal assets. Any changes to the risk register or recalibration of the Group's risk appetite will be recommended to the Board.

Internal audit findings on control issues that exceed the Group's risk appetite are reported to the Board by the Audit Committee and followed up the Group's Management Committee. Progress on the timely and effective resolution of issues is monitored regularly by the committee.

The Audit Committee reviews whistleblowing activity quarterly, including details of each report and its' resolution. Significant whistleblowing reports are shared with the committee on an ad hoc basis as they arise. The committee also considers the bi-annual report of the security department including the progress on follow-up investigations and resulting actions in relation to fraud and theft.

Assessment of the Group's Risk Profile and Control Environment

Internal Audit evaluates the overall effectiveness of the Group's governance, risk and control environment annually and this is considered by the Risk Management Group and the Audit Committee. The chairman of the Audit Committee tables the assessment of the governance, risk and control environment with the Board.

The Audit Committee monitors the internal control environment throughout the year and engages with management to ensure the effective resolution of any deficiencies identified by internal audit. The effective mitigation of key risks continues to be a key focus of the committee. In 2021, the committee reviewed progress on the information security mitigation plans developed following the cyberattack at EVRAZ North America in March 2020 and the regular annual assessments across the business, as well as the digital transformation strategy. Other areas considered included progress on the repairs and maintenance transformation project across the Russian assets and health and safety. The Audit Committee considered whether any of these matters had implications for the risk and control environment of the Group.

INTERNAL AUDIT

The Audit Committee receives quarterly internal audit reports detailing significant internal audit findings, progress on the timely and effective resolution of outstanding findings across the business, the status of any ad hoc projects and revisions to the current year audit plan. An annual internal audit report summarising all major results and conclusions is also reviewed by the committee. The internal audit plan for 2022 was reviewed by the Audit Committee and judged to be aligned to the updated risk profile. Overall, the committee considers the current internal audit resource to be adequate for the internal control and risk management assurance requirements.

The Audit Committee reviewed the Internal Audit Charter in January 2022 and concluded that no revisions were required. An annual assessment of the effectiveness, independence and quality of the internal audit function was undertaken by way of questionnaire to committee members, management and the external auditors and found to be very satisfactory.

EXTERNAL AUDIT

The Audit Committee is responsible for monitoring the ongoing effectiveness and independence of the external auditor, as well as making recommendations to the Board on the re-appointment of the external auditor.

During 2021, EY provided reporting accountant services to the Group in respect of the prospective demerger of the Raspadskaya coal assets. These services are required by the listing rules for a Class 1 transaction and are not prohibited. Certain of these services can only practically be performed by the incumbent auditor. Services were provided by both the UK and the Russian Federation practices of EY. In late August 2021, the committee was informed that there had been an inadvertent breach of the Revised Ethical Standard 2019 by EY in respect of the non-audit fee threshold at the UK practice level. The FRC guidelines require that non-audit fees cannot exceed 70% of the average audit fee for the proceeding three years either at a consolidated level or at the UK country practice level. There is provision for pre-clearance with the FRC in certain circumstances where this cap may be breached in a given year. Globally, EY were comfortably within this threshold 38% but a breach at the UK component audit level was not identified or pre-cleared with the FRC until the Group approached EY to undertake additional work.

Following disclosure of the breach, the Committee Chairman engaged with EY and the FRC to consider the implications of the breach for the external auditor and the Group. The Audit Committee held a special meeting in September 2021 to consider the independence of the external auditor.

The conclusion of the committee was that it still considered EY to be independent despite the technical breach. In reaching this conclusion, the committee considered a number of factors including:

- The low level of the UK component audit fee relative to the size of the group audit fee, reflecting the Group structure and Moscow headquarters, and integrated audit approach;
- The generally accepted practice that a UK firm lead in relation to capital markets work;
- The reporting accountant work does not form part of the information relevant to the 2021 audit opinion and significant elements of the work was performed by a separate EY team and partner;
- The reporting accountant fee is not material to EY at a department, country or global level; and
- The engagement team, firm and network have complied with relevant ethical independence requirements other than this breach.

EY updated the Committee on how their internal processes had been updated to ensure that any potential future breach would be pre-identified and pre-cleared with the FRC if necessary. At the request of the Audit Committee, EY and management agreed to implement a look forward independence monitoring system to identify any future breaches.

The committee considered the impact of the continuing COVID-19 pandemic on EY's audit approach in 2021. Although physical site visits were still constrained, the committee noted EY's digital approach, the high level of interaction between primary and component audit teams, particularly around key audit matters, and coordinated efforts from both EY and EVRAZ management.

Effectiveness and Independence

There is an established framework through which the Audit Committee monitors the effectiveness, independence, objectivity and compliance of the external auditor with ethical, professional and regulatory requirements. These include:

- Review and approval of the external audit plan for interim review and year-end audit, including consideration of the audit scope, key audit risks, audit materiality and compliance with best practice;
- Review and approval of the external auditor's engagement letter;
- Review of the FRC's annual Quality Inspection Report, the most recent being for 2020/21 dated 23 July 2021 and the EY response in the context of the EVRAZ audit;
- Consideration of EY's reports on the interim review, annual report and representation letters; and
- Review of the EY management letter on the 2020 audit, consideration of management's response and proposed actions.

The committee was updated regularly during the final quarter of 2021 and early 2022 on the key risk areas in the audit process by both the external auditor and management, providing transparency and allowing the committee to assess the assumptions underpinning each position, as well as the robustness and level of challenge provided by EY to management in arriving in an agreed position.

During 2021, the committee continued to monitor the various enquiries into the independence and effectiveness of audit firms, together with the EY response. There continues to be a constructive engagement with the external auditor to determine the implications of potential recommendations on the EVRAZ audit process both in current and future years.

Members of the Audit Committee and management completed a questionnaire to assess the effectiveness and independence of the 2020 external audit process during 2021. This was found to be satisfactory but contained some criticism in relation to the breach of the ethical standard during 2021.

As all audit committee meetings in 2021 were virtual, there was not the opportunity to meet with the external auditor in person during the year. However, the external auditor attended all of the meetings during the year and there was a regular virtual dialogue without management to consider the appropriateness of the Group's accounting policies and audit process. The committee chairman also had regular virtual meetings with the Senior Statutory Auditor outside of committee meetings.

Engagement of the external auditor for non-audit services is managed in accordance with the Group's policy which can be found on the website: www.evraz.com. The policy identifies a range of non-audit services which are prohibited on the basis that they could compromise the independence of the external auditor. It establishes threshold limits for the level of permitted non-audit fees relative to audit fees and the authorisation process for the approval of fees. The policy was updated in November 2021 to limit the proportion of non-audit services to audit fees by legal entity of the external auditor. Irrespective of the prior approval of the CFO and Audit Committee Chairman, all fees are reported to the Audit Committee for noting and comment.

During 2021, non-audit fees totalled US$1,396,000 including US$456,000 in respect of the interim review and US$785,000 in respect of the Coal business demerger (in 2020, the total was US$521,000 including US$465,000 for the interim review). Other non-audit fees in 2021 consisted mainly of limited assurance over cybersecurity controls (US$62,000), limited assurance on the the 2021 sustainability report (US$39,000) and agreed upon procedures required by the Strategic Innovation Fund of Canada (US$28,000). Non-audit fees were 51.5% of the audit fee in 2021 compared to 19% in 2020 primarily due to the coal business demerger. At the UK EY entity level, non-audit fees were 97% of the audit fee again due to the coal business demerger.

Re-appointment of the external auditor

EY was appointed as an external auditor of EVRAZ in 2011. Steve Dobson stepped down as audit engagement partner following completion of the audit for the year ended 31 December 2020 and was replaced by Danny Trotman.

Following the tender process in 2016, the committee recommended the re-appointment of Ernst & Young LLP (EY) as external auditor for the years ended 31 December 2017 and 2018. In 2017, following consideration of the UK Corporate Governance Code, EU legislation on audit regulation and the performance of EY, the committee recommended that, subject to the agreement of satisfactory terms, a further audit tender be deferred until the summer of 2020 to allow for an orderly and effective rotation for the year ended 31 December 2021. This is in line with Group policy which is to conduct an external audit tender every five years. As a result of the exigencies of the COVID-19 pandemic and travel restrictions, the committee determined that a fair and effective tender process could not be undertaken in either 2020 or 2021 and should be deferred until these criteria could be met. The latest regulatory guidance, performance of EY and terms agreed with them in respect of year ended 31 December 2022 were all considered in reaching this decision. It is the intention of the committee to run an external audit tender for the 2023 financial year during 2022.

The Audit Committee continues to consider EY to be effective and independent in its role as auditor and has provided the Board with its recommendation to shareholders that EY be re-appointed as external auditor for the year ended 31 December 2022.