

# NOMINATIONS COMMITTEE REPORT

“During the year, the Nominations Committee focused on several key issues to support the Board, including: identifying a new chief executive officer; recruiting three new independent non-executive directors to replace the directors who had joined the Board during the Company’s initial public offering; and considering the Board’s diversity policy.

Using the services of a search agency, the committee conducted a thorough review of potential external candidates before agreeing to recommend that the Board appoint Aleksey Ivanov, the Group’s senior vice president, as CEO to take over from Alexander Frolov, who remains as a non-executive director.

Following a search, the committee was also pleased to recommend to the Board the appointment of three individuals as new independent non-executive directors who provide a wealth of experience across several areas of specialisation, including: manufacturing; investment and finance; and sustainability. Although Sir Michael Peat and Karl Gruber had both completed nine years’ service as independent non-executive directors, the committee was pleased that they agreed to remain in their positions to support both

the Board and the newly appointed directors, while the Company finalised the complicated proposed demerger of the metallurgical coal assets consolidated under Raspadskaya. The Board deemed that both directors remained independent in accordance with the UK Corporate Governance Code.

The committee focused on the Board’s diversity throughout the year, especially given that it does not yet meet the Hampton-Alexander (predecessor of the FTSE Women Leaders Review) guidelines on gender diversity. This situation is expected to improve after the two longest serving directors step down following the completion of the Raspadskaya demerger and new appointments are announced to replace independent directors who will need to step down at the 2022 AGM. The committee conducted a detailed review of the proposed Board diversity policy, which the Board adopted during the year.”



**Alexander Izosimov**  
Independent Non-executive Director  
and Chairman of the Nominations  
Committee



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/#tabs-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 as of 31 December 2021 were Alexander Izosimov, Alexander Abramov, Eugene Shvidler, Deborah Gudgeon,

Stephen Odell and James Rutherford. Si Michael Peat served as the chairman of the Nominations Committee until 15 June 2021, when Alexander Izosimov took over. Mr Karl Gruber stepped down as a committee member on 15 June 2021. Mr Alexander Frolov became a member on 1 February 2022.

Throughout 2021 four of the six committee members were independent non-executive directors.

The committee met on four occasions during 2021 and held one joint meeting with the Remuneration Committee. As reported  on page 119, all members

attended each meeting, except for one meeting that Mr Abramov was unable to attend.

The Company Secretary served as the committee’s secretary.

## Activity During 2021

During 2021, the Nominations 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 considered the mix of skills and experience of its members before commencing a search for new non-executive directors as detailed in the section below.

## Succession planning

The Nominations Committee considered succession planning for its independent non-executive directors in the context of length of service. A number of independent non-executive directors were due to retire at either the 2021 or 2022 AGMs although the Board asked two of retiring directors to remain on the board until the conclusion of the demerger of the Coal business. The search for their replacements commenced in 2020 and was concluded in the first half of 2021. The committee engaged The Inzito Partnership as an external search consultancy to assist with the recruitment of independent non-executive directors to join the Board. In addition, the existing board members recommended several suitable candidates, whom the committee reviewed along with the ones identified by the search consultancy. As a result of this process, Stephen Odell, James Rutherford and Sandra Stash joined the Board on 15 June 2021. The Inzito Partnership continues to assist the committee in identifying further suitable candidates to join the Board in 2022. The Inzito Partnership has no other contractual relationships with the Group.

The committee also worked with Korn Ferry, an external search consultancy, to identify suitable candidates to take over as the Group's CEO following Mr Frolov's desire to step down from executive duties after over 14 years in this role. Korn Ferry helped to prepare the profile of an ideal candidate, and then identified a long list of over 40 individuals worldwide who met the profile. Following an internal review, a short list of 11 candidates were assessed in detail based on the approved criteria. Korn Ferry then interviewed the only internal candidate,

and concluded as part of discussions with the chairman and senior independent director that none of the candidates on the short list justified not appointing the internal candidate. Consequently, based on the committee's recommendation, the Board appointed Aleksey Ivanov as CEO effective from 1 September 2021. Korn Ferry also provide remuneration consultancy advice to the Remuneration Committee.

The Committee also paid close attention to senior management succession for positions below the CEO and endorsed several recommendations made by him following his appointment on 1 September 2021.

## Board performance evaluation

In 2021, as required by the UK Corporate Governance Code, the Company undertook a Board performance evaluation that was conducted by the Company Secretary following the review that was carried out in 2020 using an external facilitator, Lintstock LLP. Upon conclusion of the review, the Committee considered the outcome of the report and prepared an action plan for the Board to review and approve. The plan reflected continuing improvements to the Board's processes, information flow and risk management.

The outcome of the review and the action plan are described in the Corporate Governance section [on page 120](#).

## Independence of non-executive directors

The Nominations Committee reviewed the independent status of the non-executive directors based on the provisions of the UK Corporate Governance Code. It confirmed the appropriateness of the independent status of each of the independent non-executive directors. The Board confirmed the independence of Karl Gruber and Sir Michael Peat, who remained as independent non-executive directors even though they had completed over nine years of service. They remained on the Board to assist with the transition to the new independent non-executive directors, and to provide support during the demerger process.

## Sustainability governance

During 2021, the committee considered the best way to monitor the governance of sustainability initiatives across the Group at Board level. It concluded that since the Group expects sustainability issues to be managed and implemented at the level of business units, with support from the vice president for corporate strategy, the Audit Committee should be in charge of monitoring performance and control in this regard, while the HSE Committee should consider initiatives and developments. As a result, the Audit Committee made the appropriate changes to its terms of reference, and the HSE Committee widened its terms of reference and changed its name to the Sustainability Committee. The terms of reference for all committees are available on the EVRAZ website.

## Performance of Chairman and Individual Directors

The senior independent non-executive director sought views from all directors about the chairman's performance and contribution. The independent non-executive directors considered the conclusions of this review at a meeting on 24 February 2022.

As in the past, the review concluded 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 in terms of his 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 retained his position since the Group's 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 on the Group's key markets and the steel sector. The committee

believe his continuing as chairman is in the Company's best interest. In addition, during the 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 nominated for re-appointment at the 2022 AGM.

The chairman of the Group and the chairman of the Nominations Committee discussed the performance of the individual directors, including the time they have to devote to the Group's business. They noted no concerns and determined that none of the independent non-executive directors have an overly significant number of roles.

## Diversity policy

In 2021, the Nominations Committee recommended to the Board that it adopts a Board diversity policy that restates EVRAZ' commitment to increasing diversity throughout its global operations by taking diversity into account during each recruitment and appointment process and working to attract outstanding candidates with diverse backgrounds, skills, ideas and culture. EVRAZ sees diversity as a crucial business driver.

The Board considers that this extends to the composition of the Board and the processes associated with Board appointments.

The Board is aware of the guidance issued by the Hampton Alexander review (predecessor of the FTSE Women Leaders Review) for FTSE 350 Companies with regard to female representation on boards exceeding 33% and the Parker Review Guidance on ensuring that each board contains at least one person from an ethnic minority background. It will take this into account during every recruitment process.

The Board will ensure that female representation on the Board never drops below two members.

The Board is 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 Board's commitment.

It will, of course, balance this with appointing directors who can best serve the Company's and shareholders' interests by providing excellent governance and the appropriate challenges. Consequently, all appointments will be made on the basis of merit.

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 Our People section of the Sustainability section [on pages 72](#).

## 2022 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 the independent non-executive director who will step down at the 2022 AGM after serving for nine years.

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