

Key terms of non-executive directors' appointment letters

NON-EXECUTIVE DIRECTORS	DATE OF CONTRACT	NOTICE PERIOD
Alexander Abramov	14 October 2011	Three months
Karl Gruber	14 October 2011	Three months
Alexander Izosimov	28 February 2012	Three months
Sir Michael Peat	14 October 2011	Three months
Maria Gordon	1 February 2022	Three Months
Deborah Gudgeon	31 March 2015	Three months
Eugene Shvidler	14 October 2011	Three months
Eugene Tenenbaum	14 October 2011	Three months
Stephen Odell ²	20 May 2021	Three months
James Rutherford ²	20 May 2021	Three months
Sandra Stash ²	20 May 2021	Three months

Copies of the directors' letters of appointment or, in the case of the CEO, the service contract, are available for inspection by shareholders at the Group's registered office.

Consideration of conditions elsewhere in the Group

Management prepares the details of all-employee pay and conditions, and the committee considers them on an annual basis.

The committee takes this into account when setting the CEO's remuneration.

However, it does not consider any direct comparison measures between the executive director and wider employee pay. The Group does not formally consult with employees on executive director remuneration.

Consideration of shareholder views

When determining the Remuneration Policy, the committee considers investor body guidelines and shareholder views.

ANNUAL REMUNERATION REPORT

This section summarises remuneration paid out to directors for the 2021 financial year and details of how the Remuneration Policy will be implemented in the 2022 financial year.

Executive director's and CEO's remuneration

In 2021, Aleksey Ivanov was not a Director of the Company, however in order to comply with disclosure requirements and to provide full transparency we have included details of his remuneration in 2021 as his role as CEO

Base salary

The committee approved the new CEO's current salary on appointment as CEO at the level of US\$2,000,000. This salary level will remain unchanged for 2022 and includes, for the avoidance of doubt, the director's fee, fees paid for committee membership and any salary

from subsidiaries of EVRAZ plc. The former CEO's salary remained constant at US\$2,625,000 during the year.

1. Laurie Argo stepped down as a director on 15 June 2021
2. The appointment took effect on 15 June 2021

Single total figure of remuneration (audited)

Key elements of the CEO's remuneration package received in relation to 2021 (compared with the prior year). All amounts are in US Dollars.

	ALEKSEY IVANOV ³		ALEXANDER FROLOV ^{4,5}	
	2021	2020	2021	2020
Salary and director fees	666,667	-	1,750,000	2,625,000
Benefits	9,333	-	22,017	26,909
Pension	0	-	0	0
Annual bonus	903,503	-	2,196,696	3,136,930
LTIP	0	-	0	0
Total Fixed remuneration	676,000	-	1,772,017	2,651,909
Total variable remuneration	903,503	-	2,196,696	3,136,930
Total Remuneration	1,579,503	-	3,968,713	5,788,839

Pension and benefits (audited)

The current CEO and former CEO did not receive any pension benefit or allowance. Benefits consist principally of private healthcare. The pension and benefits will continue on the same basis for the current CEO, pro-rated for the period of the year worked as an executive director.

The bonus is linked to achieving performance conditions based on predetermined targets set by the Board of Directors. The target bonus is 100% of base salary with a maximum potential of 200% of base salary.

each with an equal weighting of 20%, were considered when determining the CEO's annual bonus: LTIFR, EBITDA, Free Cash Flow, Cash Cost Index and the committee's assessment of overall performance against strategic objectives.

The committee reviews the resulting bonus payout to ensure that it is appropriate considering the Group's overall performance, as well as safety record and procedures.

Annual bonus

The current and former CEOs are eligible for a performance-related bonus that is paid in cash following the year-end, subject to the committee's agreement and the Board of Directors' approval.

Annual bonus for 2021 (audited)

The bonus is linked to the Group's main quantitative financial, operational and strategic measures during the year to ensure alignment with the key aspects of Group performance and strategy.

In 2021, EVRAZ outperformed the threshold target for all of its operational and financial KPIs, resulting in an annual bonus payout of 72% of the maximum.

For 2021, the annual bonus plan was based on the same metrics for the former and current CEO. The following five indicators,

The bonus payout was adjusted based on the part of the year worked as CEO for both A. Frolov and A. Ivanov.

3. This represents the period following appointment as CEO on 1 September 2021.

4. The salary is paid in roubles and the amounts paid in the year are reconciled at the year-end so as to equal US\$2,625,000.

5. Alexander Frolov's remuneration for the year represents the period as CEO and an Executive Director, until he stepped down on 31 August 2021

Details of the targets set for each KPI, the actual achievement in the year, and total payout level for the 2021 bonus

KPIs	RESULT MEASUREMENT				
	THRESHOLD	PLANNED LEVEL (% OF TARGET)	OUTSTANDING	ACTUAL 2021	BONUS PAYOUT (% OF MAX)
LTIFR	1.63	1.36	1.09	1.21	78%
EBITDA	US\$1.646m	US\$2.057m	US\$2.469m	US\$5.015m	100%
Adjusted FCF	US\$273	US\$341	US\$409	US\$2,548	100%
Cash cost index	110%	100%	90%	108%	11%
Discretion for A. Frolov	Remuneration Committee assessment of overall performance against strategic objectives				25%
Discretion for A. Ivanov	Remuneration Committee assessment of overall performance against strategic objectives				50%
TOTAL (A. FROLOV)					62.8%
TOTAL (A. IVANOV)					67.8%
TOTAL PAYOUT TO A. FROLOV					US\$ 2,196,696
TOTAL PAYOUT TO A. IVANOV					US\$903,503

Remuneration committee assessment of overall performance

EVRAZ' Remuneration Policy stipulates that the discretionary portion of the bonus should reflect the CEO's performance in relation to the Group's key strategic priorities, as well as his efforts to ensure its long-term success. During the year, the business continued to deliver in relation to key strategic priorities and creating long-term returns for shareholders.

The committee assessed the strategic achievements in the business in 2021 and there are:

- Sustainable focus on health and safety initiatives helped to bring the LTIFR down to 1.21, the best historical number for EVRAZ.
- Strong free cash flow of US\$2,548 million, which made it possible to pay dividends of US\$1,549 million.
- Net debt of US\$2,667 million, remaining below the medium term target of US\$4,000 million from, bringing the Net debt / EBITDA ratio to 0.53.

- The efficiency improvement programme delivered an EBITDA effect of US\$301 million from cost-cutting initiatives and US\$289 million from customer focus initiatives.
- The value of cash cost index is lower than the target value due to high inflation in 2021

The committee exercised its judgement to award 25% and 50% of the maximum for Mr Frolov and Mr Ivanov respectively for the discretionary 20% of bonus opportunity. The lower amount for Mr Frolov reflected the safety record during the part of the year he was CEO. .

Annual bonus for 2022

For 2022, the bonus framework will be in line with 2021. The Board considers forward-looking targets to be commercially sensitive; however, they will generally be disclosed in the subsequent year. In line with previous years, a malus arrangement will apply under which bonus payouts may be adjusted downwards

to reflect the Group's overall performance including underlying safety practices and resulting performance.

Non-executive directors' remuneration

Non-executive directors' fixed remuneration payable in respect of 2021 and 2020 is set out in the table below.

A non-executive director's remuneration consists of an annual fee of US\$150,000 and a fee for committee membership (US\$24,000) or chairmanship (US\$100,000 for chairmanship of the Audit Committee and US\$50,000 for other committees). The fee for employee engagement responsibilities is set at US\$24,000.

Single total figure of remuneration (audited)

NON-EXECUTIVE DIRECTOR	2021 (US\$ THOUSAND)			2020 (US\$ THOUSAND)		
	TOTAL FEES ¹	ADMIN ²	TOTAL	TOTAL FEES ¹	ADMIN ²	TOTAL
Alexander Abramov	750	30	780	750	30	780
Alexander Izosimov	288	30	316	272	30	302
Eugene Shvidler	174	30	204	174	30	204
Eugene Tenenbaum	150	30	180	150	30	180
Karl Gruber	184	30	214	224	30	254
Sir Michael Peat	184	30	214	224	30	254
Deborah Gudgeon	292	30	322	274	30	304
Laurie Argo	102	14	115	222	30	252
Alexander Frolov	58	10	68			
Stephen Odell	121	16	138			
James Rutherford	108	16	125			
Sandra Stash	135	16	152			

For reference, the fees payable for the chairmanship of a committee include the membership fee, and any director elected as chairman of more than one committee is generally entitled to receive fees in respect of one chairmanship only. The fee for the chairman of the Board amounts to US\$750,000 from 1 March 2012 (this fee includes, for the avoidance of doubt, director's fees and fees paid for committee membership).

Fees will remain unchanged for 2022.

Aggregate directors' remuneration

The aggregate amount of directors' and CEO remuneration payable in respect of qualifying services for the year ended 31 December 2021 was US\$ 8,376 thousand (2020: US\$8,319 thousand).

Share ownership by the Board of Directors (audited)

There were no formal minimum shareholding requirements in place for the former CEO, reflecting the former CEO's shareholding in EVRAZ.

The current CEO is expected to build and hold 300% of base salary in shares. As at 31 December 2021 with a share price of 602p his holding amounted to 303% of his salary.

The directors' interests in EVRAZ shares as of 31 December 2021 were as follows.

There have been no changes in the directors' interests from 31 December 2021 through 24 February 2022. The shares held by Alexander Abramov, Alexander Frolov and Eugene Shvidler were acquired at the time of IPO.

The shares held by Alexander Izosimov were acquired in 2012 when he was appointed as an independent non-executive director.

All shares detailed above held by directors, including the CEO, are held outright with no performance or other conditions attached to them, other than those applicable to all shares of the same class.

Other directors do not currently hold EVRAZ shares.

Policy on external appointments

The committee believes that the Group can benefit from executive directors holding approved non-executive directorships in other companies, offering executive directors the opportunity to broaden their experience and knowledge. EVRAZ' policy is to allow executive directors to retain fees paid from any such appointment.

The former CEO and the current CEO do not currently hold a non-executive directorship of another publicly listed company.

Engagement with the workforce

EVRAZ is committed to regularly engaging with its workforce and realises the value of listening to and acting on employee views across the organisation. These insights are vital to attracting and retaining employees, which is key to delivering and executing the Group's vision and strategy. It also allows for informative decisions to be made throughout the business. Considering the views of the wider workforce has been in place at the Group for many years. Employees participate in an employee engagement survey aimed at gathering wider workforce views on various topics.

1. Total fees include annual fees and fees for committee membership or chairmanship (pro rata working days).

2. The Group contributes an annual amount of US\$30,000 towards secretarial and administrative expenses of non-executive directors. In addition to the amounts disclosed above, the Group reimburses directors' travel and accommodation expenses incurred in the discharge of their duties.

The survey has historically been successful in driving numerous employee-focused initiatives and helps to set key priorities for the forthcoming year, aimed at improving the engagement of all employees.

The Board reviews the engagement data and is therefore aware of any trends, comments or concerns in relation to executive pay. The Board also receives a quarterly summary report of complaints made on the EVRAZ employee telephone hotline.

In 2021, EVRAZ continued with the additional tools introduced the previous year aimed at engaging with employees during the pandemic. Virtual meetings with senior management were regularly held, allowing employees to participate and ask questions. The 24/7 corporate hotlines were opened for employees if they have questions or encounter problems.

The Board has appointed two independent non-executive directors to undertake the employee engagement role on its

behalf. Alexander Izosimov undertakes the role for the Russian based business units and Sandra Stash acts in the same capacity for the north American business. Contact with business units has in 2021 been impeded by the COVID 19 restrictions, but where possible virtual events have been held, alongside some site visits involving small groups of staff. Findings are fed back to the Remuneration Committee and considered alongside other management reports on employee relations.

Directors' interest in EVRAZ shares as of 31 December 2021

DIRECTORS	NUMBER OF SHARES CONDITIONALLY OWNED	NUMBER OF SHARES UNCONDITIONALLY OWNED	TOTAL HOLDING, ORDINARY SHARES, %
Alexander Abramov	—	281,870,003	19.32
Alexander Frolov	—	140,723,705	9.65
Eugene Shvidler	—	40,488,242	2.78
Aleksey Ivanov	1,120,381 ²	1,007,557	0.07
Alexander Izosimov	—	80,000	0.01

The committee also considers executive remuneration in the context of the wider employee population and is kept regularly updated on pay and conditions across the Group. The proportion of variable pay increases with progression through management levels with the highest proportion of variable pay at executive director level, as defined by the Remuneration Policy. Variable pay cascades down through the next tiers of management with appropriate reductions in opportunity levels based on seniority.

In addition, the Group operates pension arrangements in some of its businesses around the world, where this is relevant to the local conditions. The key element of remuneration for those below senior management grades is base salary and the Group's policy is to ensure that base salaries are fair and competitive

in the local markets. General pay increases take into account local salary norms, inflation and business conditions.

Finally, 2018 changes to the UK Corporate Governance Code (UKCGC) placed new expectations on FTSE Boards of Directors for quoted companies. Specifically, companies are expected to ensure that views and concerns of the workforce are considered by directors and that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. Independent Non-Executive Director, Sandra Stash, visited EVRAZ plants in Canada and the USA in late 2021 and took the opportunity to speak with small groups of employees to understand the opportunities and challenges of their roles. Findings have been discussed with executive leadership and will be fed back to the Remuneration Committee in 2022.

Gender pay gap and CEO pay ratio

EVRAZ had less than 10 UK employees during the year and does not therefore have any gender pay or CEO pay ratio information to report under the Regulations.

Relative importance of spend on pay

The following table shows a comparison of the total cost of remuneration paid to all employees between the current and previous years and financial metrics in US\$ millions.

EBITDA was chosen for the comparison as it is the KPI that best shows the Group's financial performance.

US\$ MILLION	2021	2020
EBITDA	5,015	2,212
Share buybacks	0	0
Dividends	1,823	872
Total employee pay	1,332	1,331

For more information on the definition of EBITDA, please read page 290

2. These are grants made under the LTIP in the years before appointment as CEO, which require continued employment until dates up to 15 May 2025. 298,980 shares remain subject to performance in 2021 which will be assessed in 2022. The remainder have met previously set performance targets.

Performance graph

The following graph shows the Group's performance as measured by total shareholder return compared with the performance of the FTSE 350 Basic Resources Index for the last ten years.

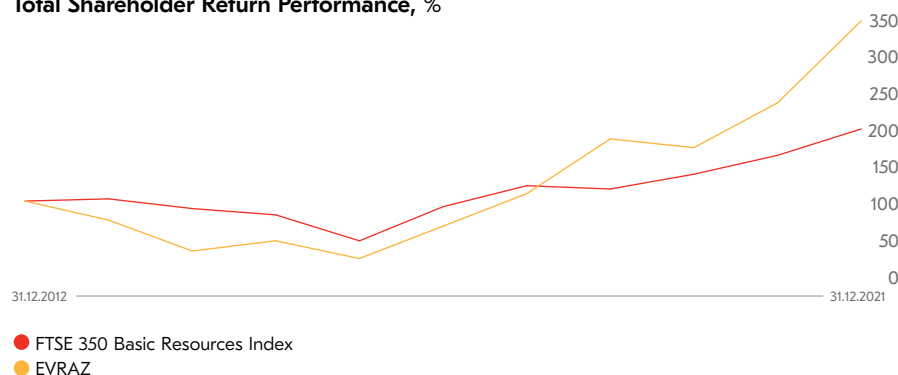
The FTSE 350 Basic Resources Index has been selected as an appropriate benchmark, as it is a broad-based index of which the Group is a constituent member.

The following table shows as a single figure the CEO's total remuneration over the past eight years, along with a comparison of variable payments as a percentage of the maximum bonus available.

Total Shareholder Return Performance, %

YEAR ENDS	FTSE 350 BASIC RESOURCES INDEX	EVRAZ
31.12.2011	100	100
31.12.2012	103.00	74.09
31.12.2013	89.80	32.02
31.12.2014	81.19	45.86
31.12.2015	45.84	21.74
31.12.2016	92.33	65.84
31.12.2017	120.90	110.01
31.12.2018	116.42	184.59
31.12.2019	136.58	172.81
31.12.2020	162.27	233.78
31.12.2021	198.18	345.42

Total Shareholder Return Performance, %



Percentage change in remuneration

The following table sets out the percentage change in the elements of remuneration for the directors of EVRAZ, compared with average figures for Russia-based administrative personnel.

This group of employees has been selected as an appropriate comparator, as they are based in the same geographic market as the CEO, and so are subject to a similar external environment and pressures.

The population of employees the calculation has been performed for includes administrative personnel in the Head Office and the Ural and Siberia management companies. This provides a representative calculation across the Russian businesses.

CEO's total remuneration paid in 2013—2021

(US\$)	CEO SINGLE FIGURE OF TOTAL REMUNERATION	ANNUAL BONUS PAYOUT (AS A % OF MAXIMUM OPPORTUNITY)
2021 (A.Ivanov)	1,579,503	67.8%
2021 (A.Frolov)	3,968,713	62.8%
2020	5,788,839	59.75%
2019	2,657,970	0%
2018	5,393,884	57.21%
2017	5,516,553	59.82%
2016	4,560,054	40.78%
2015	3,186,585	13.33%
2014	5,808,752	77.00%
2013	4,894,286	50.00%

Percentage change in the elements of remuneration for the directors compared with average figures for Russia-based administrative personnel

ROLE	2020-2021			2019-2020		
	SALARY ¹	BENEFITS	ANNUAL BONUS	SALARY ¹	BENEFITS	ANNUAL BONUS
Russia-based administrative personnel	6%	2%	7%	3%	40%	2%
Aleksey Ivanov (CEO)	n/a	n/a	n/a			
Alexander Frolov (NED/Former CEO)	n/a/0%	n/a/25%	n/a/5%	0%	(9)%	100%
Alexander Abramov (NED)	0%	n/a	n/a	0%	n/a	n/a
Alexander Izosimov (NED)	5%	n/a	n/a	9%	n/a	n/a
Eugene Shvidler (NED)	0%	n/a	n/a	0%	n/a	n/a
Eugene Tenenbaum (NED)	0%	n/a	n/a	0%	n/a	n/a
Karl Gruber (NED)	-16%	n/a	n/a	0%	n/a	n/a
Sir Michael Peat (NED)	-16%	n/a	n/a	0%	n/a	n/a
Deborah Gudgeon (NED)	6%	n/a	n/a	0%	n/a	n/a
Laurie Argo (NED)	-54%	n/a	n/a	24%	n/a	n/a
Stephen Odell (NED)	n/a	n/a	n/a			
James Rutherford (NED)	n/a	n/a	n/a			
Sandra Stash (NED)	n/a	n/a	n/a			

Committee composition

This section details the Remuneration Committee’s composition and activities undertaken over the past year.

Committee members

The committee’s composition changed in the year with Sir Michael Peat retiring from the committee and the retirement of Laurie Argo from the Board.

Its current members are:

- Alexander Izosimov.
- Deborah Gudgeon.
- Stephen Odell.
- Sandra Stash.

All members of the Committee are independent non-Executive Directors. This is fundamental to ensuring Executive Directors and senior executives’ remuneration is set by people who are independent and have no personal financial interest, other than as shareholders, in the matters discussed. There are no potential conflicts of interest arising from cross-directorships and there is no day-to-day involvement in running

the business. No-one is allowed to participate in any matter directly concerning the details of their own remuneration or conditions of service.

The committee may invite other individuals to attend all or part of any committee meeting, as and when appropriate and necessary, in particular the CEO, the head of human resources and external advisers.

Role

The Remuneration Committee is a formal committee of the Board and can operate with a quorum of two committee members. It is operated according to its Terms of Reference, which were reviewed and updated in the year to reflect changes required to reflect the appointment of the CEO. A copy can be found on the Group’s website.

The committee’s main responsibilities are to:

- Set and implement the Remuneration Policy covering the chairman of the Board, the CEO, the company secretary and other senior executives.

- Take into account all factors that it deems necessary to interpret and determine, the provisions and recommendations of the 2018 UK Corporate Governance Code and associated guidance (such as framework or policies), including all relevant legal and regulatory requirements.
- Review and consider remuneration trends across the Group and the alignment of incentives and rewards with culture when setting the Remuneration Policy.
- Review regularly the Remuneration Policy’s appropriateness and relevance.
- Determine the total individual remuneration package of the chairman of the Board, the company secretary and other senior executives, including pension rights, bonuses, benefits in kind, incentive payments and share options, or other share-based remuneration within the terms of the agreed policy.
- Approve awards for participants where existing share incentive plans are in place.
- Review and approve any compensation payable to executive directors and other senior executives in connection with any dismissal, loss of office or termination (whether for misconduct or otherwise) to ensure that such compensation is determined in accordance with the relevant

contractual terms and the Remuneration Policy, and that such compensation is otherwise fair and not excessive for the Group.

- Oversee any major changes in the structure of employee benefits throughout the Group and report on what engagement has taken place with the workforce on executive pay.

During 2021, the committee met six times. The main purpose of the meetings was to consider and make recommendations to the Board in relation to the remuneration packages of the executive director and key senior managers; to approve the annual bonus for the 2020 results; to approve the 2021 long-term incentive plan (LTIP) awards for key senior management, to agree the remuneration for the appointment of the current CEO and terms

for the departure of the former CEO and to be updated on pay across the workforce.

Advisers

The committee had previously appointed Korn Ferry (UK) Limited (Korn Ferry) to provide independent remuneration consultancy services to the Group. Korn Ferry is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The code of conduct can be found at www.remunerationconsultantsgroup.com.

During the year, Korn Ferry principally advised the committee on developments in the regulatory environment and market practice, and on the development

of the Group's pay arrangements. The total fee for advice provided to the committee during the year was £59,158.

The committee is satisfied that the advice it has received has been objective and independent.

Shareholder considerations

EVRAZ remains committed to ongoing shareholder dialogue and takes an active interest in feedback received from its shareholders and from voting outcomes.

Where there are substantial votes against resolutions in relation to directors' remuneration, the Group shall seek to understand the reasons for any such vote and will detail any actions in response to these.

Actual voting results from the AGM, which was held, in respect of the previous remuneration report and Remuneration Policy

NUMBER OF VOTES	FOR	AGAINST	WITHHELD	TOTAL VOTES AS % OF ISSUED SHARE CAPITAL
To approve the Directors Remuneration Policy as set out on pages 131–135 of the 2019 Annual Report and Accounts	1,189,736,031 (95.85%) ²	51,449,970 (4.15%)	3,329,067	85.20%
To approve the Annual Remuneration Report set out on pages 128–139 of the 2020 Annual Report and Accounts	1,070,842,969 (94.41%)	163,394,671 (5.59%)	5,339,125	77.76%

Signed on behalf of the Board
of Directors,

Alexander Izosimov
Chairman of the Remuneration
Committee
24.02.2022