

# 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*

<http://www.evraz.com/governance/directors/committees>.

**The Nominations Committee has continued to monitor the Board's composition to ensure that it remains appropriate for the Company and to uphold the integrity of the Company's corporate governance. As reported last year, the Nominations Committee considered the range of experience currently on the Board and the need to widen diversity before commencing a recruitment exercise for an additional non-executive director. With three of the five independent non-executive directors completing seven years on the Board, this process will continue as suitable candidates are sought.**

## 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 2018 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 four occasions during 2018. As reported [on page 108](#), 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 2018

During 2018, 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. The committee commenced a search in 2017 for an additional independent non-executive director and appointed Heidrick & Struggles, a firm that has no other relationship with the business, to undertake the search. Heidrick & Struggles reviewed a wide range

of candidates in line with the Board's desire to enhance gender diversity on the Board where appropriate. Heidrick & Struggles presented a number of candidates to the committee, who reviewed and met with several of the candidates. Further meetings between the identified candidate and key executive management were arranged to ensure that the selected candidate had a skill set that the Board could benefit from. The Committee also considered, after review, that Laurie Argo was fully independent as defined by the Code and had sufficient time available to deliver the role. A recommendation was subsequently made to the Board, which appointed Laurie Argo as an independent non-executive director on 8 August 2018. Ms Argo's biography is available [on page 102](#). Notably, she has a wide range of experience, particularly in the North American energy industry.

The committee also paid close attention to senior management succession.

### Board performance evaluation

In 2017, as required by the UK Corporate Governance code, the Company undertook a board performance evaluation using an external facilitator, Lintstock LLP. In October 2018, the company secretary undertook a follow up internal

evaluation under the guidance of the Nominations Committee. Following the 2018 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 some minor improvements to board process and information flow. The outcome of the review and the action plan are described in the Corporate Governance section [on page 108](#).

## 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 and 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 17 January 2019.

It was concluded, as previously, that the chairman continues to make an important contribution to the Group, including his knowledge and experience of, and contacts in, the industry.

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 84](#).

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.

## 2019 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. A review is in progress to confirm compliance with the revised 2018 UK Governance Code, which takes effect for the 2019 financial year. In addition, the committee will continue to consider development and succession planning for senior management.