

## 20. Equity

### Share Capital

Number of shares	31 December		
	2017	2016	2015
Ordinary shares of \$1 each, issued and fully paid	<b>1,506,527,294</b>	1,506,527,294	1,506,527,294

### Treasury Shares

Number of treasury shares	31 December		
	2017	2016	2015
Number of treasury shares	<b>74,474,663</b>	87,015,878	98,481,249

On 31 March 2015, the Board resolved to announce a return of capital to be effected by a tender offer to shareholders at \$3.10 per share in the amount of up to \$375 million. In April 2015, EVRAZ plc repurchased 108,458,508 of its own shares (\$336 million). The Company incurred \$3 million of transaction costs, which were charged to accumulated profits.

Subsequently, in 2017, 2016 and 2015, 12,541,215 shares, 11,465,371 shares and 9,977,259 shares, respectively, were transferred to the participants of Incentive Plans. The cost of treasury shares transferred to the participants of Incentive Plans, amounted to \$39 million, \$35 million and \$31 million in 2017, 2016 and 2015, respectively.

### Earnings per Share

Earnings per share are calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the potential dilutive ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2017	2016	2015
Weighted average number of ordinary shares outstanding during the period	<b>1,427,585,897</b>	1,414,906,412	1,437,134,241
Effect of dilution: share options	<b>26,974,433</b>	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	<b>1,454,560,330</b>	1,414,906,412	1,437,134,241
Profit/(loss) for the year attributable to equity holders of the parent, US\$ million	<b>\$ 699</b>	\$ (215)	\$ (644)
Basic earnings/(losses) per share	<b>\$ 0.49</b>	\$ (0.15)	\$ (0.45)
Diluted earnings/(losses) per share	<b>\$ 0.48</b>	\$ (0.15)	\$ (0.45)

In 2015-2016, share-based awards (Note 21) were antidilutive as the Group reported net losses.

## 20. Equity (continued)

### Dividends

Dividends declared by EVRAZ plc during 2015–2017 were as follows:

	Date of declaration	To holders registered at	Dividends declared, US\$ million	US\$ per share
Interim for 2017	09/08/2017	18/08/2017	430	0.3

On 9 August 2017, the Board of directors of EVRAZ plc decided to declare interim dividends for 2017 in the amount of \$430 million, which represents \$0.3 per share.

In addition, certain subsidiaries of the Group declared dividends. The share of non-controlling shareholders in those dividends was \$Nil in 2015–2017.

## 21. Share-based Payments

In 2015–2017, the Group had several Incentive Plans under which certain senior executives and employees (“participants”) could be gifted shares of the parent company upon vesting. These plans were adopted on 6 September 2012, 24 September 2013, 8 August 2014, 26 October 2015, 15 September 2016 and 25 September 2017.

The vesting under Incentive Plans adopted before 2017 does not depend on the achievement of any performance conditions. The new Plan adopted in 2017 provides that the number of shares transferred to participants upon vesting is dependent on the Group’s performance versus the selected group of peers. EBITDA and total shareholder return (“TSR”) are used as the key performance indicators. If the Group’s EBITDA achieves a specific ranking in the peer group, then 50% of the shares of a particular tranche become vested, otherwise they are forfeited. If the Group’s TSR achieves a specific ranking in the peer group, then the other 50% of the shares of a particular tranche become vested, otherwise they are forfeited. Subject to the resolution of the Remuneration Committee, EBITDA can become the only metric in the performance evaluation (in case if the net debt to EBITDA ratio is equal to 3 or higher). The TSR-related vesting condition of the Incentive Plan 2017 was considered by the Group as a market condition. As such, it was included in the estimation of the fair value of the granted shares and will not be subsequently revised. Vesting condition related to EBITDA was not taken into account when estimating the fair value of the share options at the grant date. Instead, this will be taken into account by adjusting the share-based expense based on the number of share options that eventually vest.

The vesting date for each tranche occurs within the 90-day period after announcement of the annual results. The expected vesting dates of the awards outstanding at 31 December 2017 are presented below:

Number of Shares of EVRAZ plc	Total	Incentive Plan 2017	Incentive Plan 2016	Incentive Plan 2015	Incentive Plan 2014
March 2018	11,704,880	1,472,241	1,963,834	4,427,044	3,841,761
March 2019	8,845,167	1,472,241	2,945,758	4,427,168	-
March 2020	5,154,227	2,208,348	2,945,879	-	-
March 2021	2,208,336	2,208,336	-	-	-
	<b>27,912,610</b>	<b>7,361,166</b>	<b>7,855,471</b>	<b>8,854,212</b>	<b>3,841,761</b>

The plans are administered by the Board of Directors of EVRAZ plc. The Board of Directors has the right to accelerate vesting of the grant. In the event of a participant’s employment termination, unless otherwise determined by the Board or by a decision of the authorised person, a participant loses the entitlement for the shares that were not gifted up to the date of termination.

There have been no modifications or cancellations to the plans during 2015–2017.