

# 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 a committee, we have no significant matters to raise; however, with three of the four independent non-executive directors having completed six years in post, the Nominations Committee will undertake a skills analysis as a precursor to commencing succession planning for non-executive directors.*

in line with the Board's desire to reflect race and gender diversity on the Board where appropriate. The final choice of candidate will depend on appointing the most experienced candidate to meet the skills and knowledge requirement for the industry sector. The committee also paid close attention to senior management succession.



## 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 2017 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-executives.

The committee met on three occasions during 2017.

The CEO attended all meetings and the company secretary acted as the committee's secretary.

## Activity during 2017

During 2017, the committee considered the following issues.

### Board and committee composition

The Board agreed that the size of the Board and its committees, and the size and composition of each committee was appropriate for the ongoing needs of the Group. 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 non-executive directors, in the context of the length of service of each of the current non-executive directors. The committee has commenced a search for an additional independent non-executive director, and has appointed Heidrick & Struggles to undertake the search. Heidrick & Struggles has no other relationship with the business, and will consider a wide range of candidates

## Board performance evaluation

As required by the UK Corporate Governance code, the Company needed to undertake a board performance evaluation in 2017 using an external facilitator. The committee decided, following consideration, to appoint Lintstock LLP, which undertook the last externally evaluated review in 2014, to maintain consistency of approach. The committee reviewed and approved Lintstock's brief for the evaluation. Following conclusion of the review, 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 116.

## 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.

## Best practices for Nominations Committee

The committee undertook a review of the most recent developments in corporate governance impacting the work of the Nominations Committee.

## 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 18 January 2018.

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 externally facilitated board evaluation undertaken by Lintstock LLP asked individual directors to assess their performance and concerns. 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. After Olga Pokrovskaya ceased to be a director on 14 March 2016, this objective received renewed emphasis. The committee continues to actively review and monitor the Group's performance against its diversity policy, including with regards to aspects such as age, gender and educational and professional backgrounds, as disclosed in the CSR report [on pages 96-99](#).

The Nominations Committee and the Board are committed to meeting best practice standards in gender diversity. The nature of the steel and mining industries makes this more challenging but does not diminish the committee's and the Boards' commitment. The Board has appointed a recruitment agency to look for an additional independent non-executive director.

## 2018 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. In addition, it will continue to consider development and succession planning for senior management. It will also provide and encourage training for directors and implement the recommendations from the external review of the Board's performance.