



EVRAZ plc (the “Company”)

Terms of Reference – Remuneration Committee

References to the “Committee” shall mean the Remuneration Committee.

References to the “Board” shall mean the Board of Directors.

1 Membership

- 1.1** The Committee shall comprise at least three or more members, all of whom shall be independent non-executive directors. The Chairman of the Board (if independent) may also serve on the Committee. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee.
- 1.2** Only members of the Committee and the Secretary of the Committee have the right to attend Committee meetings. However, other individuals as appropriate, for example the Chief Executive Officer, the head of human resources and external advisers may be invited to attend for all or part of any Committee meeting as and when appropriate and necessary.
- 1.3** Appointments to the Committee are made by the Board and shall be for an initial period of one year, extendable for further periods of one year each, provided the director still meets the criteria for membership of the Committee.
- 1.4** The Board, in consultation with the Nomination Committee, shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.

2 Secretary

The Board Secretary or his or her nominee shall act as the Secretary of the Committee.

3 Quorum

- 3.1** The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2** Each member shall have one vote. The Committee Chairman shall not have a second or casting vote.

4 Frequency and Proceedings of Meetings

- 4.1** The Committee shall meet not less than once a year and otherwise as required.¹
- 4.2** Proceedings and meetings of the Committee will be governed by the provisions of the Articles for regulating meetings and proceedings of the Board, in so far as they are applicable and not inconsistent with these terms of reference.

5 Notice of Meetings

- 5.1** Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 5.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate reasonably in advance.

6 Minutes of Meetings

- 6.1** The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2** The Secretary of the Committee should ascertain the existence of any conflicts of interest and minute them accordingly. If any conflicts of interest exist with a particular member of the Committee on any particular issue then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest.
- 6.3** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, on request to the Company Secretary, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so, for example, due to the existence of a conflict of interest.

7 Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to any shareholder questions on the Committee's activities.

8 Duties

- 8.1** The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate.
- 8.2** The Committee shall:
- 8.2.1** have responsibility for setting the remuneration policy for the Chairman of the Board, the Company's Chief Executive Officer, the Company Secretary, other key senior

¹ Meetings should be organised so that attendance is maximised (for example by timetabling them to coincide with Board meetings).

executive²s. The remuneration policy for non-executive directors shall be a matter for the Chairman of the Board and the executive members of the Board

- 8.2.2** in determining such and implementing the remuneration policy, take into account all factors which it deems necessary including in relation to all relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the "Code"), Companies Act 2006, Large and medium-sized Companies and Groups (Accounts and Reports) Regulations Schedule 8 (as amended) and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions and for promoting the long term success of the Company
- 8.2.3** when setting and implementing remuneration policy for directors and key senior executives, review and have regard to pay policies, principles and levels and employment conditions across the group and the alignment of incentives and rewards with culture;
- 8.2.4** regularly review the ongoing appropriateness and relevance of the remuneration policy;
- 8.2.5** within the terms of the agreed remuneration policy and in consultation with the Chairman and/or Chief Executive Officer, as appropriate, determine how the remuneration policy will be implemented and review the resulting total individual remuneration package of those people who fall within 8.2.1 above, including salary, pension rights, bonuses, benefits in kind, incentive payments and share options or other share awards;
- 8.2.6** obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- 8.2.7** be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.2.8** approve the design of, and determine targets for, any performance-related pay schemes operated by the company for those people who fall within 8.2.1 above and approve the total annual payments made under such schemes, taking into account any jurisdictional factors.
- 8.2.9** review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to those people who fall within 8.2.1 above and the performance targets to be used.
- 8.2.10** ensure that contractual terms and remuneration policy on dismissal, loss of office or termination (whether for misconduct or otherwise), and any payments made, are fair and not excessive to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

² These will be determined from time to time by the Committee, but are expected to include executives reporting to the CEO.

- 8.2.11 review and approve any compensation payable to those people that fall within 8.2.1 above 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 remuneration policy and that such compensation is otherwise fair and not excessive for the Company;
- 8.2.12 review and approve any contractual terms and determine the total individual remuneration package for any new person falling within 8.2.1 above and ensure it is fair and in line with the agreed remuneration policy;
- 8.2.13 oversee any major changes in employee benefits structures throughout the group;
- 8.2.14 [oversee the engagement with the workforce on pay policy.](#)

9 Reporting Responsibilities

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall ensure that provisions regarding disclosure of information as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Code, are fulfilled. In particular, the Committee shall prepare a report incorporating a “Directors’ Remuneration Policy” and an “Annual Report on Remuneration” to be included in the Company’s Annual Report. The Directors’ Remuneration Policy will detail the Company’s remuneration policy for Directors and will be subject to a binding shareholder vote at the Annual General Meeting at least every three years (or sooner if material changes are proposed to the stated policy). The remainder of the report will detail remuneration arrangements in respect of the year under review and will be put to shareholders annually for an advisory shareholder vote at the Annual General Meeting.
- 9.4 Through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

10 Other Matters

- 10.1 No individual should be directly involved in setting their own remuneration.
- 10.2 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 10.3 The Committee shall be provided with appropriate timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.4 The Committee shall ensure that all payments to directors are made within the remuneration policy as stated in the Annual Report & Accounts.
- 10.5 The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of those people falling within 8.2.1 above, the provisions of the Code, the requirements of the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules (all of which are made by the Financial Services Authority

under Part VI of the Financial Services and Markets Act 2000) and any other applicable rules, as appropriate.

- 10.6** The Committee shall arrange for periodic reviews (at least every three years) of its own performance and review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11 Authority

- 11.1** The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties and to call any employee to be questioned at a meeting of the Committee as and when required, and all employees are directed to co-operate with any such request made by the Committee.
- 11.2** The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference. Such advisers will be advisers solely to the Committee.