

Remuneration report



Alexander Izosimov
Independent Non-Executive Director
Chairman of the Remuneration Committee

“ In the current competitive environment, the Group aims to ensure that its Remuneration Policy is aligned with its business objectives, and retains and motivates qualified senior executives in order to deliver sustainable, long-term returns to shareholders. ”

This report has been prepared in accordance with the Companies Act 2006 and Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013) (the “Regulations”). It also meets the relevant requirements of the Financial Conduct Authority’s Listing Rules and describes how the Board has applied the principles of good governance as set out in the UK Corporate Governance Code (April 2016).

This report contains both auditable and non-auditable information. The information subject to audit by the Group’s auditors, Ernst & Young LLP, is set out in the Annual remuneration report and has been identified accordingly.

Directors’ Remuneration Policy

The current Remuneration Policy was approved by shareholders at the AGM in June 2014. The Regulations require that shareholders formally approve the Remuneration Policy every three years and so it is intended that an updated Remuneration Policy will be put before shareholders for approval by way of a binding vote at the Company’s AGM on 20 June 2017. If approved by shareholders, the updated Remuneration Policy will have effect immediately thereafter. Prior to that date, the Company’s existing Remuneration Policy will continue to apply.

The Company reviewed the Remuneration Policy during the year and believes that it remains appropriate. As such, the 2017 Remuneration Policy will remain broadly unchanged from the Remuneration Policy approved by shareholders at the 2014 AGM.

Annual remuneration report

The second part of the report, the Annual remuneration report, sets out details of remuneration paid in 2016 and how the Group intends to apply its Remuneration Policy in 2017. This section will be put to an advisory shareholder vote at the forthcoming AGM.

Key decisions taken during the year

- The Committee reviewed the CEO’s salary and determined that his salary for 2017 will remain frozen at the same level as it has been since 2012. This reflects the continuing challenging market conditions and low level of wage increases to employees across the Group in general.
- Based on performance against the pre-determined KPIs and targets, the CEO’s annual bonus payout for 2016 was 40.78% of the maximum.

In line with its commitment to good corporate governance, EVRAZ will continue to monitor investors’ views, best-practice developments and market trends on executive remuneration. These will be taken into account when deciding on executive remuneration at EVRAZ to ensure that its Remuneration Policy remains appropriate in the context of business performance and strategy.