

## **Remuneration Committee Report**

(as of 31 December 2009)

More detailed information on the remuneration policy and the committee's duties and responsibilities can be found on the Company's website in the section on corporate governance:

[http://evraz.com/investor/governance/board\\_committees](http://evraz.com/investor/governance/board_committees)

Articles of Association as of 31 July 2009:	article 10
Corporate Governance Code:	article 6.5
Policy governing the Board of Directors:	article 6 and 7
Management remuneration policy	

The Remuneration Committee consists of the following members:

Philippe Delaunois, Chairman of the Committee, Independent non-executive director;  
James W. Campbell, Independent non-executive director;  
Eugene Tenenbaum, Non-executive director;  
Alexander Abramov, Chairman of the Board;  
Natalia Ionova, Vice President, Human Resources.

Alexander Frolov, CEO, attends the meetings.

Dmitry Melnikov, Secretary to the Board, acts as Secretary to the Committee.

The principal objectives are to attract, retain and motivate high quality senior management with a competitive package of incentives and awards linked to performance and the interests of shareholders. The committee seeks to ensure that management is rewarded fairly, taking into account all elements of the remuneration package and in the light of the Group's performance.

The Remuneration Committee met five times in 2009.

The committee approved some changes at the CEO-1 level.

Given the economic situation that the Company faced in 2009, the committee decided to offer participants of the 2007 stock option programme a cash compensation spread over the following three years instead of vesting them the shares in the Company (represented by GDRs).

The committee decided on the bonuses of the CEO-1 level for the year 2008, as well as the bonuses for the CEO.

With regard to the remuneration of the independent directors, the Chairman of the Board is responsible and makes recommendations as to the amount of such remuneration to shareholders at the Annual General Meeting.

The Remuneration Committee, which usually meets before a Board meeting, always presents its conclusion to the Board for final approval.