



PETROPAVLOVSK

Petropavlovsk PLC

Executive Committee Terms of Reference (ToR)

Adopted by the Board of Directors on 8 November 2020

1 Purpose and Authority

- 1.1 The Board of Directors (**Board**) of Petropavlovsk PLC (**Company**) has delegated to the Executive Committee (**Committee**) executive management of the Company and its subsidiaries from time to time (together and so as to include each entity individual, **Group**).
- 1.2 The Executive Committee is responsible for:
- general management of the Group within the terms of these ToR
 - recommending strategy and direction to the Board
 - implementing the strategy set by the Board (the **Strategy**)
 - reporting to the Board on a timely basis and with such information as it may require from time to time, including on progress with the implementation of the Strategy.
- 1.3 The Committee shall have no authority to perform any act or thing or exercise any power or discretion reserved to the Board, whether by law, the Company's constitution, the matters reserved to the Board, any delegation of authority in place or otherwise.

2 Membership

The membership of the Committee from time to time shall be determined by the Board and as at the date of these ToR comprises:

- the Chief Executive Officer (**CEO**)
- the Chief Financial Officer
- the Head of Corporate Affairs (**HCA**)
- the Head of Group Transformation/Operational Efficiency
- the Group Company Secretary and Corporate Counsel.

The CEO, or in his absence the HCA, shall chair the Committee. The chair may invite others to attend all or part of any of its meetings. In the absence of an express commitment to the contrary, no person shall be entitled to be appointed to the Committee and election to and/or removal from the Committee shall not give rise to any employment or other right.

3 Quorum and proceedings

- 3.1 Meetings of the Committee shall be held monthly or otherwise as required. Any member of the Committee may convene a meeting of the Committee by email to the other members. Subject to 3.6 below, notice of the meeting and copies of papers to be considered must be given to all members of the Committee.
- 3.2 The agenda for any meeting of the Committee shall be set by the chair. Any member of the Committee may propose matters to be included on the agenda.
- 3.3 The attendance of at least three members of the Committee shall be required for a meeting of the Committee to be quorate. A duly convened meeting of the Committee at which a quorum is present shall be competent to discharge all or any of the responsibilities and/or exercise all or any of the authorities, powers and/or discretions vested in or exercisable by the Committee.
- 3.4 Decisions shall be made by the Committee by simple majority. The chair shall not have a casting vote.
- 3.5 The Committee shall maintain a record of the decisions and actions arising at each of its meetings which record shall be made available to the Board.

- 3.6 No member of the Committee who is subject to a conflict or potential conflict of interest in relation to any matter for consideration by the Committee shall be entitled to receive notice of, be counted in the quorum for, receive papers in relation to or attend or vote at any meeting of the Committee to consider such matter, save where such conflict or potential conflict and the participation of the relevant member of the Committee in any meeting to consider the same has been expressly approved by the Board.
- 3.7 Decisions may be made by the Committee in writing (including by email). Any request for approval in writing must be sent to all members of the Committee. Any decision made in writing requires the approval of all members of the Committee.

4 Responsibilities

The Committee is responsible for:

4.1 Values and culture

- 4.1.1 Supporting the Board in the definition of the Group's culture and values;
- 4.1.2 Embedding the Group's culture and values as defined by the Board and ensuring that these are widely understood and consistently implemented.

4.2 Strategy

- 4.2.1 Assisting the Board in the development of the Strategy;
Implementing the Strategy, including developing and implementing the financial and operational plans, policies, procedures and budgets to execute the Strategy.

4.3 Performance, finances and operations

- 4.3.1 Keeping under review the operational structure of the Group, recommending to the Board such changes as it deems appropriate and as are in accordance with the Strategy and implementing such changes as are approved by the Board;
- 4.3.2 Managing the activities of the Group and the optimisation of the Group's resources to further the Strategy;
- 4.3.3 Developing and recommending to the Board the Group's business plans, budgets and forecasts to further the Strategy;
- 4.3.4 Recommending key performance indicators (**KPIs**) appropriate to the Strategy to the Board and cascading, measuring performance against and reporting to the Board on those KPIs;
- 4.3.5 Recommending to the Board a framework of financial controls and implementing the Board's approved framework;
- 4.3.6 Identifying, responding promptly to and managing appropriately any matters which may affect the ability of the Group to achieve its forecasts or business plans or cause it to deviate from budget or may otherwise affect the performance, operations, finances, prospect or reputation of the Group.

4.4 Compliance, risk management and internal controls

- 4.4.1 Developing and recommending to the Board any policies for adoption by the Group requiring Board approval;
- 4.4.2 Implementing and embedding those policies as approved by the Board, including the Group's environmental, social and governance and health and safety policies;
- 4.4.3 Assessing, monitoring, managing and reporting to the Board on the Company's risks, current and prospective;
- 4.4.4 Developing and recommending to the Board an appropriate risk management framework and system of internal controls and monitoring and managing compliance with those controls;
- 4.4.5 Monitoring and managing compliance with relevant legislation, regulation and policies and any best practices adopted by the Group;
- 4.4.6 Supporting the Board in the fulfilment of the Company's duties, responsibilities and obligations arising from or in connection with its listings;
- 4.4.7 Monitoring, reviewing and safeguarding the integrity and adequacy of the Group's management information and financial reporting systems and intellectual property rights.

4.5 Reporting

- 4.5.1 Reporting to the Board on the performance, finances and operations of the Group and on the decisions and actions of the Committee on a regular basis and not less than quarterly;
- 4.5.2 Reporting immediately to the Board on any matter which:
 - 4.5.2.1 is a significant health, safety or environmental incident or risk;
 - 4.5.2.2 is material breach of any Board-approved or other significant policy of the Group; or
 - 4.5.2.3 referred to in 4.3.6 or which is or is reasonably likely to be material to the operations or finances of the Group or to affect adversely the Group or the Company's reputation or standing; or
 - 4.5.2.4 would be reasonably likely were it to become public to change significantly the perception of the shareholders of the Company or have a significant influence on the share price of the Company;
- 4.5.3 Monitoring and reporting regularly to the Board on the Company's relations with and the reported views of the Company's shareholders and other key stakeholders.

In performing its duties, the Committee may delegate its responsibilities as it sees fit. The Committee shall remain responsible for any matter so delegating.

5 Review

The Committee shall periodically review its performance and, at least annually review its constitution and these ToR to ensure it is operating effectively and shall recommend any changes it considers necessary or appropriate to the Board.