



PETROPAVLOVSK

PRESS RELEASE

31 December 2020

Petropavlovsk PLC (the Company)

Update on voting results at the Company's Annual General Meeting of 30 June 2020 (AGM) and at the Company's Requisitioned Extraordinary General Meeting of 10 August 2020 (RGM)

At the AGM and RGM, 20 per cent or more of votes cast were cast against the resolutions listed below. The Company reported on voting at the AGM and RGM, respectively, in its announcements of 1 July and 10 August 2020. The resolutions in question and voting results on each are:

	Resolution	% For	% Against
AGM	Resolution 3: To approve the Directors' Remuneration Policy	42.32	57.68
AGM	Resolution 4: To approve the Long-term Incentive Plan	75.24	24.76
AGM	Resolution 8: To elect Ekaterina Ray as a Director	53.28	46.72
AGM	Resolution 9: To elect Danila Kotlyarov as a Director	46.42	53.58
AGM	Resolution 11: To elect Fiona Paulus as a Director	46.36	53.64
AGM	Resolution 12: To elect Timothy McCutcheon as a Director	39.80	60.20
AGM	Resolution 13: To re-elect Pavel Maslovskiy as a Director	46.14	53.86
AGM	Resolution 15: To re-elect Damien Hackett as a Director	46.34	53.66
AGM	Resolution 16: To re-elect Harry Kenyon-Slaney as a Director	46.35	53.65
AGM	Resolution 17: To re-elect Robert Jenkins as a Director	45.72	54.28
AGM	Resolution 18: To approve new Articles of Association	77.60	22.40
AGM	Resolution 19: To approve an authority allot shares up to maximum of one third of the issued share capital	64.52	35.48
AGM	Resolution 20: To approve an authority to allot shares up to maximum of two thirds of the issued share capital	23.55	76.45
RGM	Resolution 1: To re-appoint Damian Hackett	44.91	55.09
RGM	Resolution 2: To appoint Michael Kavanagh	54.41	45.59
RGM	Resolution 3: to re-appoint Harry Kenyon-Slaney	44.90	55.10
RGM	Resolution 4: to re-appoint Pavel Mavlovskiy	44.88	55.12
RGM	Resolution 5: To re-appoint Timothy McCutcheon	43.26	56.74
RGM	Resolution 6: To appoint Vitaliy Zarkhin	44.80	55.20
RGM	Resolution 7: To appoint Paul Bushell	32.07	67.93
RGM	Resolution 8: To appoint Ivan Kulakov	36.39	63.61
RGM	Resolution 18: To remove any person appointed as Director since 9 July up to the end of this meeting	50.58	49.42

In its announcement of 1 July 2020, the Company confirmed its intent to consult shareholders in accordance with the UK Governance Code 2018 in order to understand and address their concerns as expressed in voting at the AGM.

The Company has continued its engagement with shareholders during the period since the meetings, soliciting views from its larger institutional, corporate and retail investors on the underlying reasons for the votes against. The responses received indicate that, for shareholders holding a significant number of shares in the Company which were voted at those meetings:

- voting against the election or re-election of directors at the AGM (AGM resolutions 8 to 17 above) reflected dissatisfaction with the performance of the Company and concerns over its governance, including certain corporate transactions undertaken or proposed to be undertaken by the Company;
- voting against the approvals and authorities sought at the AGM (AGM resolutions 3, 4 and 18 to 20 above) reflected the same underlying discontent and dissatisfaction with governance and the performance of incumbent management and a number of the members of the then board. This was the case notwithstanding that the authorities sought were in line with Investment Association guidelines and consultation on the directors' remuneration policy indicated that it would receive approval at the AGM;
- voting on the election or re-election of directors at the RGM (RGM resolutions 1 to 8 and 18) was largely to ensure that the actions of the shareholders in voting on the constitution of the board at the AGM were not effectively overturned.

During the period since the RGM, the newly-constituted Board has been focused on stabilising the management of the Company and improving governance within its group of companies (**Group**). Actions taken to date include:

- the appointment of Malay Mukherjee as independent non-executive director;
- the appointment of MHA MacIntyre Hudson as external auditor;
- the appointment of KPMG to undertake the independent forensic review of transactions by the Group and IRC Limited and its subsidiaries in the three years to August 2020 as requisitioned by shareholders; and
- several key management appointments, including, on 30 November 2020, the appointment of Denis Alexandrov as the Company's new Chief Executive Officer.

In its announcement of 30 October 2020, the Board outlined a number of fundamental and largely legacy issues which it is seeking to address in order to realise the Group's potential, including:

- greater focus on returns to shareholders;
- reduction in levels and costs of debt;
- introduction of robust and up to date systems and controls;
- simplification of the Group's corporate structure;
- enlarging the Board, with a goal of establishing of a board of seven or eight directors the majority of whom are independent. An external search firm has been engaged to assist with this process;
- improving the Group's budgeting and guidance procedures.

Work on each of these areas is ongoing and updates will be provided as appropriate and in the Company's annual report and accounts for the year ending 31 December 2020. The Company's directors' remuneration policy will be put to shareholders for approval at the Company's annual general meeting for 2021, following appropriate consultation on its terms.

The Board appreciates the efforts that its shareholders, large and small, take to provide feedback on areas of interest and concern. The Board remains committed to regular engagement with its stakeholders and to ensuring that the Company's dialogue with its shareholders on these matters continues.

For more information

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About Petrovlovsk

Petrovlovsk PLC (LSE: POG. MOEX: POGR) is a major integrated Russian gold producer with JORC Resources of 21.03Moz Au which include Reserves of 8.46Moz Au. Following its IPO on the Alternative Investment Market (AIM) in 2002, Petrovlovsk was promoted to the London Stock Exchange in 2009, where today it is a Premium Listed company and a constituent of the FTSE 250, FTSE 350 and FTSE All

Share indices. The Company's shares also trade on the Moscow Exchange and are a constituent of the flagship RTS / MOEX index.

Petropavlovsk's key operating mines (Pioneer, Malomir and Albyn) are in the Amur Region in the Russian Far East. Petropavlovsk has produced a total of c.8.1Moz of gold since operations began in 1994 and has a strong track record of mine development, expansion and asset optimisation.

The Group recently entered a new era of growth following the successful commissioning and start-up of its flagship asset, the Pressure Oxidation (POX) Hub at Pokrovskiy, which enables the processing of the Company's abundant refractory reserves and resources.

Petropavlovsk is one of the region's largest employers and one of the largest contributors to the sustainable development of the local economy.

Cautionary note on forward-looking statements

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this release and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the future price of gold, the Group's results of operations, financial position, liquidity, prospects, growth, estimation of mineral reserves and resources and strategies, and exchange rates and the expectations of the industry. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances outside the control of the Group. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause results and/or developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the impact of the current Covid-19 pandemic, general economic and business conditions, demand, supply and prices for gold and other long-term commodity price assumptions (and their effect on the timing and feasibility of future projects and developments), trends in the gold mining industry and conditions of the international gold markets, competition, actions and activities of governmental authorities (including changes in laws, regulations or taxation), currency fluctuations (including as between the US Dollar and Rouble), the Group's ability to recover its reserves or develop new reserves, changes in its business strategy, any litigation, and political and economic uncertainty. Except as required by applicable law, rule or regulation (including the Listing and Disclosure Guidance and Transparency Rules), the Group does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance. The content of websites referred to in this announcement do not form part of this announcement.