

# NOTICE OF ANNUAL GENERAL MEETING

To be held on Wednesday 30 June 2021



**PETROPAVLOVSK**

### **Petropavlovsk PLC**

Incorporated in England and Wales  
with registered number: 04343841

whose registered office is at:

11 Grosvenor Place  
Belgravia  
London SW1X 7HH  
United Kingdom (**UK**)

+44 (0)20 7201 8900  
teamir@petropavlovskplc.com

[www.petropavlovskplc.com](http://www.petropavlovskplc.com)

### **Directors:**

Mr. James W. Cameron Jr.	Non-Executive Chairman
Ms. Charlotte Philipps	Senior Independent Director
Mr. Maxim Kharin	Non-Executive Director
Mr. Malay Mukherjee	Independent Non-Executive Director
Mr. Mikhail Irzhevsky	Independent Non-Executive Director
Mr. Denis Alexandrov	Chief Executive Officer

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or the action you should take, you are recommended to take advice from a person authorised under the Financial Services and Markets Act 2000 who specialises in advising in connection with shares and other securities.

If you have sold or otherwise transferred all of your shares in Petropavlovsk PLC (**Petropavlovsk** or the **company**) please send this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank, or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of shares in Petropavlovsk, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document gives notice of the annual general meeting of the company, to be held at 3.00pm on Wednesday 30 June 2021 at London Marriott Hotel Grosvenor Square, Grosvenor Square, London W1K 6JP, United Kingdom.

Any changes to the arrangements for the AGM will be communicated to shareholders before the meeting through the company's website [www.petropavlovskplc.com](http://www.petropavlovskplc.com) and, where appropriate, by a regulatory news service announcement.

A summary of the action to be taken by shareholders of the company is on pages 2 to 5 and in the notice of annual general meeting at the end of this document. You will not have received a hard copy proxy form for the 2021 AGM in the post. All shareholders are encouraged to submit their proxy voting appointment electronically at [www.signalshares.com](http://www.signalshares.com) or, if you hold shares in CREST, by using the CREST electronic proxy appointment service. The proxy voting instructions must be received by Link Group no later than 3.00pm on 28 June 2021.

# ANNUAL GENERAL MEETING

## 2021 (AGM)

### DEAR SHAREHOLDER

#### ANNUAL GENERAL MEETING 2021 (AGM)

I am pleased to invite you to the nineteenth annual general meeting of Petropavlovsk PLC, to be held at London Marriott Hotel Grosvenor Square, Grosvenor Square, London W1K 6JP, UK at 3.00pm on Wednesday 30 June 2021.

The formal notice convening the AGM (the **Notice**) is on pages 5 to 6 of this document and an explanation of each of the resolutions that the board of directors proposes at the AGM is set out below.

#### ATTENDING THE AGM

The UK government's roadmap to lifting the restrictions on public gatherings due to the coronavirus pandemic currently envisages that all remaining measures will be removed with effect from 21 June 2021. The situation remains under review but, if this proceeds as anticipated, the company will hold the annual general meeting in 2021 as an open meeting, with shareholders able to attend in person in the usual way.

The wellbeing of our shareholders, employees and advisers is of primary importance to the company. While our preference is to welcome shareholders in person to the meeting, the situation is evolving and, if the current restrictions are not lifted in time for the meeting, physical attendance may not be possible.

We have therefore put in place measures to provide shareholders with the opportunity to follow the business of the meeting and ask questions via a live webcast. If, as we hope, the meeting proceeds as an open meeting, this webcast facility will run alongside the physical meeting. Shareholders can choose whether to attend the meeting by coming along in person or to follow the business conducted at it by accessing the meeting remotely via a weblink. Please note that taking part via the webcast will not constitute formal attendance and will not provide an opportunity to vote at the meeting.

In light of the continuing uncertainty, I strongly urge shareholders to register their votes by proxy as set out on page 7 and to submit any questions in advance of the meeting by email to [teamir@petropavlovskplc.com](mailto:teamir@petropavlovskplc.com). Questions should, of course, be on the business and affairs of the company and, to the extent we are in a position to do so, we will aim to publish answers to all that are relevant and appropriate on the company's website at <https://petropavlovskplc.com/news-and-events/past-events/>.

There is more on these arrangements on pages 7 to 9 below. We will continue to monitor developments and any changes to the provisions for the AGM will be published on the company's website at <https://petropavlovskplc.com/news-and-events/aggm-and-other-events/> and via a regulatory news service, if appropriate.

#### RESOLUTIONS TO BE PROPOSED AT THE AGM

Resolutions 1 to 15 (inclusive) are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 to 18 (inclusive) are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution. Resolution 19 is an item for consideration with shareholders on which no vote will be cast at the meeting.

#### (Resolution 1) Annual Report and Accounts

The business of the AGM will begin with a resolution to receive and adopt the annual report and accounts of the company for the year ended 31 December 2020 (the **2020 Annual Report**) together with the report of the auditor which is made available to shareholders with this document. Shareholders will have the opportunity to put any questions on the 2020 Annual Report to the board before the resolution is proposed at the AGM.

#### (Resolution 2) Directors' Remuneration Report

The directors' remuneration report can be found on pages 112 to 133 of the 2020 Annual Report. An ordinary resolution will be proposed to shareholders to approve the annual statement from the chairman of the remuneration committee on pages 112 and 113 and the annual report on remuneration on pages 123 to 133. The vote is an advisory one (that is, the contents of the report will not change as a result of the vote).

#### (Resolution 3) Remuneration Policy

The directors' remuneration policy is set out on pages 114 to 122 of the 2020 Annual Report. The company last put a proposed remuneration policy to shareholders for approval at the company's AGM in 2020 when it did not receive the requisite level of support. The company continues to operate under the provisions of the policy approved in 2018.

The changes which the new policy proposes fall into two categories: (i) refinements to the remuneration policy currently in place to ensure that the policy remains fit for purpose and aligned with good practice and investor group recommendations; and (ii) approval for a one-off share option plan and the awards to be made under it to the Chief Executive Officer, as agreed with him by the company – subject to shareholder approval – to secure his recruitment.

In relation to the refinements to the existing policy (being those elements which will operate on an ongoing basis) the committee has ensured that the proposed revised policy and practices remain consistent with the principles set out in the UK Corporate Governance Code published in July 2018 (the

**2018 code**). Specifically, the policy is clear, simple, understood by our executive and clearly communicated to our shareholders. The remuneration committee has undertaken a consultation with a number of our major shareholders on the proposed revisions to the policy.

The main changes are as follows:

#### - Long-Term Incentive Plan (LTIP)

The maximum annual award under the LTIP will be increased from 100% to 150% of base salary;

The definition of 'good leaver' in the LTIP will be updated to include a participant who resigns or whose employment is terminated within six months of a controlling shareholder becoming obliged to make an offer for the company;

The 'automatic' exchange of subsisting awards granted by the company for rights to acquire shares of an equivalent value (as determined by the committee) in the acquiring company on a change of control will be removed; and

A 'Transaction Event' (being an event, such as a change of control, which may cause subsisting awards granted by the company to vest or become exercisable in advance of their usual maturity date or to be substituted for rights to acquire shares in an acquiring company) will be defined to include the company's shares ceasing to be premium-listed on the London Stock Exchange.

A separate resolution (resolution 4: Amendments to the LTIP) is proposed to seek approval to the changes to the LTIP rules outlined as part of the policy above.

#### - Annual bonus

The maximum opportunity under the annual bonus will be increased to 150% of base salary (from 100% currently);

Any amounts earned under the annual bonus plan in excess of 100% of base salary will be mandatorily deferred in cash or the company's shares for a period of up to two years;

The maximum incentive opportunities will apply to existing and new executive directors, whether an internal promotion or external hire. The annual bonus plan will be applied to all senior managers of the company's group and targets cascaded down as appropriate.

#### - Post-exit shareholdings

Departing executive directors will normally be expected to maintain a holding of shares in the company of a value equal to 150% of base salary for a period of two years from the date the individual ceases to be a director.

#### - Bespoke Share Option

In addition to the ongoing elements of the

policy, approval is sought for a one-off share option plan (the **bespoke option**) and the awards under it to be made to the CEO. As the bespoke option does not form an ongoing part of the remuneration policy, a separate resolution (resolution 5: the Bespoke Share Option) is proposed to seek approval to it. In the event that shareholders approve this resolution 3 on the directors' remuneration policy at the AGM but resolution 5 on the bespoke option does not receive the requisite support, the remuneration policy will be deemed to have been approved and adopted without the inclusion within it of any reference to the bespoke option and any such reference shall be deemed null and void.

In accordance with remuneration reporting rules, the vote on the directors' remuneration policy is a binding vote. If the proposed policy is approved, it will remain in force for a period of up to three years and a revised remuneration policy put to shareholders again by no later than the AGM in 2024. Changes to the policy also require shareholder approval.

If shareholders do not approve the proposed policy for any reason, the company will, to the extent permitted by the Companies Act 2006 (the **Act**), continue to make payments to directors in accordance with the directors' remuneration policy approved at the company's annual general meeting on 29 June 2018. A revised policy will be brought to the shareholders for approval by no later than the annual general meeting in 2022.

#### **(Resolution 4) Amendments to the Long-Term Incentive Plan**

The company's long-term incentive plan was approved and adopted at the 2020 annual general meeting. As summarised in relation to resolution 3: Remuneration Policy above, the rules of the LTIP are now proposed to be amended to refine and clarify the operation of certain of the change of control provisions in certain circumstances. These changes are considered necessary to ensure a level of protection for participants should circumstances similar to those which caused significant upheaval to the company and its senior management in mid-2020 re-occur in future. This eventuality cannot be discounted and the protective measures proposed are considered necessary to attract, retain and motivate senior executives of the calibre required to steady and lead the company.

A copy of the rules of the LTIP, marked to show the changes proposed for approval, is available for inspection at 11 Grosvenor Place, London SW1X 7HH, UK during normal business hours (except Saturdays, Sundays and public holidays) and to the extent permissible by the current UK government guidance on social distancing) up to and including the date of the AGM. Copies of the LTIP rules will also be available for inspection at the place of the AGM for at least 15 minutes prior to, and during, the meeting.

#### **(Resolution 5) the Bespoke Share Option**

The terms of the bespoke option were agreed with the CEO, subject to shareholder approval, to secure his appointment at a time when the company was experiencing considerable upheaval. In light of the personal and professional risks to the CEO and the lack of clarity as to the future of the company at that time, the committee considered agreement to the bespoke option was necessary in order to attract and retain the services of a highly professional and energetic CEO with a proven track record of effecting turnarounds in the gold-mining industry in Russia. It is intended that the bespoke option will further align the overall remuneration of the CEO with the interests of all shareholders.

Subject to shareholder approval, the CEO will be granted the bespoke option over such number of shares as is equal to 1.5% of the company's issued share capital at grant. The exercise price per share of the bespoke option will be the 20-day average share price prior to 1 December 2020, being the date on which the CEO joined the company. If approved, the bespoke option will be granted as soon as possible following approval at the AGM. The bespoke option will vest and become exercisable in three tranches, the first immediately on grant, with the remaining two tranches vesting and becoming exercisable on or around 1 December 2021 and 1 December 2022, respectively. The exercise of the bespoke option will not be subject to any additional performance conditions. The shares acquired on the exercise of the bespoke option will be subject to the lock-up restrictions under the company's remuneration policy proposed for approval under resolution 3 (currently being 24 months from the date of vesting).

The principal features of the bespoke option are set out in Appendix I to this Notice on page 12.

A copy of the draft bespoke option agreement will be available for inspection at the offices of the company at 11 Grosvenor Place, London SW1X 7HH, UK during normal business hours (except Saturdays, Sundays and public holidays) and are available for inspection to the extent permissible by the current UK government's guidance on social distancing) up to and including the date of the AGM. Copies of the bespoke option will also be available for inspection at the place of the AGM for at least 15 minutes prior to, and during, the meeting.

#### **(Resolutions 6 and 7) Auditors**

At each annual general meeting at which accounts are presented, the audit committee of the board also proposes the appointment of an auditor to hold office until the next such meeting. As stated in the audit committee's report on page 110 of the 2020 Annual Report, the committee managed a competitive tender process to identify and put forward for appointment a statutory external auditor for the company in spring of 2021. The respondents to that process were MacIntyre

Hudson LLP (**MHA**) and Moore Kingston Smith LLP. In light of their overall approach to ensuring the integrity and quality of the audit process, the experience and quality record of their lead partner and the expertise and capabilities of their UK and Russian teams, the audit committee has recommended to the board that MHA be proposed to the shareholders for appointment as auditor and has confirmed to the board that that recommendation is free from third party influence and that no restrictive contractual provision has been imposed in it. After due consideration, the board has accepted the audit committee's recommendation and proposes to shareholders that MHA be appointed as statutory auditor of the company pursuant to resolution 6.

Resolution 7 authorises the audit committee to determine the remuneration of MHA as auditor to the company.

#### **(Resolutions 8 to 10)**

##### **Appointment of new directors**

Messrs. Malay Mukherjee, Denis Alexandrov and Mikhail Irzhevsky were appointed to the board since the last annual general meeting held on 30 June 2020 and will be offering themselves for election as required by the company's articles of association and in accordance with the 2018 code. Mr. Mukherjee was appointed on 23 August 2020, Mr. Alexandrov on 1 December 2020 and Mr. Irzhevsky on 16 April 2021.

Messrs Mukherjee and Irzhevsky meet the independence criteria prescribed in the 2018 code, being independent in character and judgement and there being no relationships or circumstances which are likely to affect or could appear to affect their judgement.

As an executive director of the company, Mr. Alexandrov is not considered to be independent.

##### **(Resolutions 11 to 13) Re-election of existing directors.**

In accordance with the 2018 code, all other directors will retire from the board at the AGM and, being eligible, will offer themselves for re-election.

The key strengths of the board include its effective balance of skills and experience, diversity of background and nationalities and understanding of the business and operations of the company's group, all of which enable it to perform effectively.

The performance of each director is considered to be effective, with each demonstrating commitment to his or her role, including committing time for board and committee meetings and other duties. The biographical details of each director on pages 10 and 11 of this document illustrate the skills and experience that each director brings and how their contribution continues to be important

# ANNUAL GENERAL MEETING

## 2021 (AGM) ——— CONTINUED

to the company. The board is of the view that it benefits significantly from the individual and collective experience and expertise of its constituents and that the election or re-election of each of the directors is in the best interests of the company and recommends their election or re-election as directors of the company.

The search for additional independent non-executive directors to join the board remains ongoing, overseen by the nominations committee, and a leading recruitment consultant has been engaged to assist with this process. While the board will always choose the best candidate for the role, it is hopeful that future appointments will enhance further the gender and ethnic diversity of the board in the best interests of the company and furtherance of its diversity policy.

### **(Resolution 14) Authority of the board to allot shares**

Resolution 14 gives the directors the authority to allot ordinary shares of the company up to an aggregate nominal amount equal to £13,190,900. This amount represents approximately one-third of the company's issued share capital at 18 May 2021, the latest practicable date before the publication of this Notice, and will be reduced by any allotments or grants under resolution 15 in excess of such amount.

The authority sought under this resolution will expire at the conclusion of the annual general meeting in 2022 or on 30 September 2022, whichever is sooner. The directors have no present intention to exercise this authority sought under this resolution, except to satisfy share awards under the LTIP or the bespoke option (if approved).

The directors expect to seek renewal of this authority at each annual general meeting of the company, in accordance with current best practice. As at the date of this Notice, no shares are held by the company in treasury.

### **(Resolution 15) Authority of the board to allot shares in connection with a rights issue**

In line with the most recent guidance on share capital management issued by the Investment Association, resolution 15 would, in addition to the authority proposed by resolution 14, give the board the authority to allot ordinary shares in connection with a rights issue in favour of ordinary shares up to £26,381,800 including any shares issued under the authority provided by resolution 14. This amount represents approximately two-thirds of the company's issued ordinary shares capital at 18 May 2021, the latest practicable date before the publication of this Notice, and any shares issued pursuant to the authority in resolution 14 will reduce the number of shares which can be issued pursuant to the authority in resolution 15.

The authority sought under this resolution will expire at the conclusion of the annual general meeting in 2022 or on 30 September 2022, whichever is sooner. The directors have no present intention to exercise this authority sought under this resolution.

The directors expect to seek renewal of this authority at each annual general meeting, in accordance with current best practice. As at the date of this Notice, no shares are held by the company in treasury.

### **(Resolutions 16 and 17) Authority of the board to allot shares for cash other than to existing shareholders**

The board is also seeking authority to allot ordinary shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. Resolution 16 contains a two-part waiver. The first is limited to the allotment of shares for cash up to an aggregate nominal value of £1,978,635 which represents up to 5% of the issued ordinary share capital at 18 May 2021. The second is limited to the allotment of shares for cash in connection with a rights issue, open offer or other pre-emptive offer to allow the directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders.

The waiver granted by resolution 17 is in addition to the waiver granted by resolution 16. It is limited to the allotment of shares for cash up to an aggregate nominal value of £1,978,635, which represents a further 5% of the issued ordinary share capital of the company at 18 May 2021. This further waiver is being sought in accordance with the Pre-Emption Group's 2015 Statement of Principles (**Statement of Principles**). The Statement of Principles permits disapplication in authorities of up to 10% of issued share capital in total to be sought provided the additional 5% is used in connection with the financing (or refinancing) of an acquisition or other capital investment of a kind defined in the Statement of Principles.

The board confirms that it intends to use the authority sought in resolution 17 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

### **(Resolution 18) Notice period for general meetings, other than an annual general meeting**

The notice period required for general meetings of the company is 21 days unless shareholders approve a shorter notice period of not less than 14 clear days and provided that the company offers the facility for all shareholders to vote by electronic means. Resolution 18 seeks approval to hold general meetings on this basis. Annual general meetings of the company will continue

to be held on at least 21 clear days' notice. The approval will be effective until the company's next AGM, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is considered to be to the advantage of shareholders as a whole.

### **(Other Business: Item 19) Section 656 of the Act**

The company's net assets on a standalone basis, as shown in the company's balance sheet as at 31 December 2020, were less than half of its called-up share capital. This does not relate to the company's consolidated statement of financial position, which at 31 December 2020 showed net assets of US\$671,641,000, far exceeding the company's called-up share capital of US\$57,464,000.

This position arose as a result of the adoption and application of accounting standard, IFRS 9 'Financial Instruments', which introduced a new impairment model for financial assets for years beginning on or after 1 January 2018. IFRS 9 requires the recognition of impairment provisions based on expected credit losses. The recognition of expected credit losses within each of the company's subsidiaries under IFRS 9 had the effect that the relevant subsidiary's net assets were insufficient to support the investment carrying value held by Petropavlovsk PLC for that company at 31 December 2018. When aggregated across the group as a whole, the consequent write-down of its investments in its subsidiaries resulted in a loss to the company of US\$733,733,000 at 31 December 2018 and its balance sheet at 31 December 2018 was duly restated in the company's annual report for the year ended 31 December 2019.

On a consolidated basis, the adoption of IFRS 9 had no effect on the consolidated results or consolidated balance sheet of the company and its subsidiaries taken as a whole.

The board is of the view that this does not pose any risk to the solvency of the company, and therefore no specific measures are proposed to deal with this situation. The board is, however, exploring with its advisers ways in which the company's distributable reserves position may be improved so as to enable the payment of dividends if considered appropriate at a future time.

When a public company's net assets fall to less than half of its called-up share capital, section 656 of the Act requires the directors to call a general meeting to consider whether any, and if so what, steps should be taken to address the situation. In light of the above, the board does not consider it necessary to propose any resolutions in relation to this matter at the AGM. The board does however welcome dialogue with shareholders on this point, and the AGM will provide a forum for such discussions to take place.

# NOTICE OF ANNUAL GENERAL MEETING

## ATTENDANCE AT AGM

The board welcomes the attendance of shareholders at the AGM and is hopeful that the easing of the restrictions currently in place in the UK will proceed so that physical attendance will be possible. If you are intending to attend the AGM, please read the notes on page 9 regarding access to the meeting to ensure that you have the correct paperwork with you to gain admission. Shareholders without the correct documents may not be entitled to attend the meeting and will not be allowed to vote.

Before attending, please also check the company's website at <https://petropavlovskplc.com/news-and-events/agsm-and-other-events/> to ensure that the arrangements for the AGM have not changed (for example, due to delays in the lifting of current governmental restrictions) after the date of this Notice.

Page 9 sets out details of how to follow the business of the meeting remotely if physical attendance is not possible or feasible for any reason, and how to pose questions. Please be aware that this would not constitute attendance at the meeting or afford the opportunity to vote at it.

## RECOMMENDATION

The board believes that the proposals described in this letter are in the best interests of the company and its shareholders as a whole and unanimously recommend that you vote in favour of the proposed resolutions.

The results of voting on all resolutions will be announced via the regulatory news service and published on the company's website as promptly as possible following the conclusion of the meeting.

Yours sincerely,



James W. Cameron Jr.  
**Non-Executive Chairman**

27 May 2021

NOTICE IS HEREBY GIVEN that the nineteenth annual general meeting of the company will be held at 3.00pm on Wednesday 30 June 2021 at London Marriott Hotel Grosvenor Square, Grosvenor Square, London W1K 6JP, UK (the **Notice**) for the following purposes:

## ORDINARY RESOLUTIONS:

1. To receive and adopt the reports of the directors and the audited accounts of the company for the year ended 31 December 2020 together with the report of the auditor.
2. To approve the directors' remuneration report set out on pages 112 to 133 (inclusive) (other than the part containing the directors' remuneration policy) of the annual report and accounts for the year ended 31 December 2020.
3. To approve the directors' remuneration policy (**Policy**) set out on pages 114 to 122 (inclusive) of the annual report and accounts for the year ended 31 December 2020 and so that, if the bespoke option proposed for approval pursuant to resolution 5 is not approved and adopted, the approval of the Policy shall be deemed to take effect and the Policy be approved as if there were no reference in it to the bespoke option or any awards thereunder.
4. To approve changes to the rules of the Petropavlovsk PLC Long-Term Incentive Plan 2020 (the **LTIP**) and to authorise the directors to do all such acts and things they consider necessary or desirable to bring the amended rules into effect (a copy of the rules of the LTIP, marked to show the proposed amendments, is produced to the meeting and signed by the Chairman for the purposes of identification).
5. To resolve that the terms of an option to be granted to the CEO (the **bespoke option**), the principal terms of which are summarised in Appendix I to this Notice, and a copy of which is produced to the meeting and signed by the Chairman for the purposes of identification, be approved and that the directors be authorised to do all things necessary or desirable to give effect to the grant of the bespoke option, including making such modifications as the directors consider appropriate to take account of the requirements of the Financial Conduct Authority and best practice.
6. To appoint MacIntyre Hudson LLP auditor of the company until the conclusion of the next general meeting at which accounts are laid before the company.
7. To authorise the audit committee of the board to determine the remuneration of the auditor.
8. To elect Mr. Malay Mukherjee as a director of the company.

9. To elect Mr. Denis Alexandrov as a director of the company.
10. To elect Mr. Mikhail Irzhevsky as a director of the company.
11. To re-elect Mr. James W. Cameron Jr as a director of the company.
12. To re-elect Ms. Charlotte Philipps as a director of the company.
13. To re-elect Mr. Maxim Kharin as a director of the company.
14. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT, in substitution for all subsisting authorities to the extent unused, the directors be, and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the **Act**) to exercise all the powers of the company to allot shares in the company and to grant rights to subscribe for, or to convert any security into, shares in the company up to an aggregate nominal amount of £13,190,900 (such amount to be reduced by any allotments or grants under the authority granted pursuant to resolution 15 in excess of such amount). The authority hereby conferred on the directors shall expire at the conclusion of the annual general meeting of the company in 2022 or 30 September 2022, whichever is earlier save that the company may, after the date of the passing of this resolution before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

15. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT in addition to, the authority in resolution 14, the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the company to allot shares in the company and to grant rights to subscribe for, or to convert any security into, shares in the company comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £26,381,800 (such amount to be reduced by any allotments or grants under the authority granted pursuant to resolution

# NOTICE OF ANNUAL GENERAL MEETING — CONTINUED

14) in connection with an offer by way of a rights issue:

- (i) To ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) To holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter.

The authority granted by this resolution shall expire at the conclusion of the annual general meeting of the company in 2022 or 30 September 2022, whichever is earlier, save that the company may, after the date of the passing of this resolution before such expiry, make an offer or agreement, which would, or might, require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the directors may allot such shares of grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

## SPECIAL RESOLUTIONS:

16. To consider and, if thought fit, to pass the following resolution as a **special resolution**:

THAT subject to the passing of resolution 14 and/or resolution 15, and in substitution for all subsisting authorities to the extent unused, the directors be authorised, pursuant to section 570 and section 573 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by resolutions 14 and/or 15 and/or to sell ordinary shares held by the company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be limited to:

- (i) the allotment of equity securities in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings, but subject to such exclusions, limits, restrictions or

other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, or securities represented by depository receipts, record dates, legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange or any other matter; and

- (ii) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) to any person up to an aggregate nominal amount of £1,978,635.

The authority granted by this resolution will expire at the conclusion of the annual general meeting of the company in 2022 or 30 September 2022, whichever is earlier, save that the company may, before such expiry, make offers and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

17. To consider and, if thought fit, to pass the following resolution as a **special resolution**:

THAT subject to the passing of resolution 14, the directors be authorised, in addition to any authority granted under resolution 16, to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by resolution 14 and/or to sell ordinary shares held by the company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,978,635; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice.

The authority granted by this resolution will expire at the conclusion of the annual general meeting of the company to be held in 2022, or, if earlier, at the close of business on 30 September 2022, save that the company may,

before such expiry, make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

18. To consider and, if thought fit, to pass the following resolution as a **special resolution**:

THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

## OTHER BUSINESS:

19. To consider whether any, and if so what, steps should be taken to address the serious loss of capital within the company, pursuant to section 656(1) of the Act.

By order of the board



**Dorcas Murray**  
Company Secretary

Petropavlovsk PLC  
11 Grosvenor Place,  
London SW1X 7HH  
UK  
Registered no: 04343841

27 May 2021

# EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

## 1. Entitlement to attend and vote

Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) (as amended) and for the purposes of section 360B of the Act, the company has specified that only those members registered on the register of members of the company at close of business on 28 June 2021 or if the meeting is adjourned, on the day which is two days prior to the time of the adjourned meeting, shall be entitled to attend and vote at the AGM in respect of the number of ordinary shares registered in their name at that time. Changes to the register of members after close of business on 28 June 2021 shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Please note that attendance and voting in person at the meeting is subject to the lifting of the UK government's restrictions on public gatherings in light of the ongoing COVID-19 pandemic. If these restrictions are not lifted to the extent necessary to allow the AGM to proceed safely and lawfully, the meeting will be held as a closed meeting and shareholders will not be able to attend or vote.

## 2. Appointment of proxies

- (i) Every member entitled to attend and vote at the AGM has the right to appoint some other person(s) of their choice, who need not be a member, as his/her proxy to exercise all or any of his/her rights, to attend, speak and vote on their behalf at the meeting. A proxy need not be a member of the company but must attend the meeting for the member's vote to be counted. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (ii) You will not have received a hard copy proxy form for the AGM in the post. You can instead submit your proxy vote electronically by accessing the shareholder portal at [www.signalshares.com](http://www.signalshares.com), logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password, you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code (**IVC**) which can be found on your share certificate or dividend notification. Proxy votes should be submitted as early as possible and, in any event, no later than 3.00pm on Monday 28 June 2021. You may request a hard copy proxy form directly from the registrars, Link Group by emailing [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or by post at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LSI 4DL. To be valid, any hard copy proxy form must be received by post or (during normal business hours only) by hand at the company's registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LSI 4DL no later than 3.00pm on Monday 28 June 2021. Amended instructions must also be received by the company's registrars by the deadline for receipt of proxy forms.
- (iii) To be effective, the electronic appointment of a proxy for the meeting and any power of attorney or other authority under which the proxy appointment is made must be received by the company's registrars not later than 3.00pm on 28 June 2021 or not less than 48 hours (excluding any part of a day that is Saturday, Sunday or a public holiday) before the time appointed for the AGM or any adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. Please note that any electronic communication sent to the company or to the Link Group's shareportal service that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by the conditions of use of the Link Group shareportal service set out on the website, [www.signalshares.com](http://www.signalshares.com), and may be read by logging on to that site. If you want to appoint more than one proxy electronically, please contact the company's registrar on the Link Telephone Helpline on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Link Group Telephone Helpline is open between 9.00a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
- (iv) If you hold shares in CREST you can vote by using the CREST electronic proxy appointment service. Further details on how to do this are set out in paragraph 3 below.
- (v) The submission of a proxy vote (online or through CREST) or the return of a hard copy proxy form will not prevent you attending the AGM and voting in person should you wish. Please take note of the possibility of government mandated restrictions prohibiting physical attendance at the AGM as detailed on pages 2 and 9.
- (vi) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Act (a Nominated Person) should note that the provisions in this Notice concerning

the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting. Nominated Persons should also remember that their main point of contact in terms of their investment in the company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps, the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the company (including any administrative matter). The only exception to this is where the company expressly requests a response from a Nominated Person.

## 3. Electronic proxy voting through CREST

- (i) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 30 June 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (ii) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (**CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)/ CREST). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the company's agent

# EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

(ID number RA10) by the latest time(s) for receipt of proxy appointments, together with any power of attorney or other authority under which it is sent. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (iii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)).
- (iv) The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). For further information relating to the CREST proxy system, please refer to the CREST Manual.

#### 4. Voting rights

- (i) At 18 May 2021, being the latest practicable date before the publication of this Notice of AGM, the company's issued capital consisted of 3,957,270,254 ordinary shares. The total voting rights in the company at 18 May 2021 are 3,957,270,254.
- (ii) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the company's securities already held by the Chairman, result in the Chairman

holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the company and the Financial Conduct Authority.

#### 5. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce, prior to their entry to the meeting, evidence satisfactory to the company of their appointment. Please note, however, that if multiple corporate representatives purport to vote the same block of shares in different ways, they will be treated as not having voted.

#### 6. Joint holders

In the case of joint holders, where more than one of the holders purports to appoint a proxy, only the proxy appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the company's register of members in respect of the joint holding (the first-named being the most senior).

#### 7. Website publication of audit concerns

Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to:

- (i) The audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
- (ii) Any circumstance connected with an auditor of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.

The company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or

528 of the Act. Where the company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the company has been required under section 527 of the Act to publish on a website.

#### 8. Questions

Under section 319A of the Act, a shareholder attending the meeting has the right to ask questions in relation to the business of the meeting. The company must cause to be answered any question relating to the business being dealt with at the meeting put by a shareholder attending the AGM. However, members should note that no answer need be given in the following circumstances:

- (i) If to do so would interfere unduly with the preparation of the AGM or would involve a disclosure of confidential information;
- (ii) If the answer has already been given on a website in the form of an answer to a question; or
- (iii) If it is undesirable in the interests of the company or the good order of the AGM that the question be answered.

#### 9. Website

This Notice, together with other information required by section 311A of the Act, can be found on the company's website at [www.petropavlovskplc.com](http://www.petropavlovskplc.com)

#### 10. Inspection of documents

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the company at 11 Grosvenor Place, Belgravia, London SW1X 7HH, UK up to and including the date of the AGM and also on the date and at the place of the AGM at London Marriott Hotel Grosvenor Square, Grosvenor Square, London W1K 6JP, UK from 2.30pm until the conclusion of the AGM:

- (i) Service contract of the executive director and letters of appointment of the non-executive directors; and
- (ii) A copy of the draft form of the rules of the Petropavlovsk PLC 2020 Long-Term Incentive Plan, marked to show changes proposed for approval under resolution 4; and
- (iii) A copy of the draft rules of the bespoke share option plan proposed for approval under resolution 5.

## 11. Addresses

Unless otherwise stated, any telephone number, website and email address set out in this Notice, the form of proxy, or Chairman's letter should not be used to communicate with the company (including the service of documents or information relating to the proceedings at the AGM).

## 12. Form of proxy

Petropavlovsk PLC is committed to reducing paper and improving efficiency in its shareholder communications. We no longer send paper proxy cards to shareholders unless specifically asked to do so. Note 2 above explains how you may request a paper proxy card.

## ADMINISTRATION OF AGM

The information given in this section assumes that the UK government's restrictions on public gatherings will be lifted in time and to an extent to enable the AGM to be held as an open meeting. If this does not occur the company will issue an announcement through a regulatory news service with details of revised arrangements. Please check <https://petropavlovskplc.com/news-and-events/agsm-and-other-events/> on the company's website for any updated information.

## ENTRY FOR MEMBERS, PROXY HOLDERS & CORPORATE REPRESENTATIVES

All members, proxy holders and corporate representatives wishing to attend the meeting must bring with them evidence of identification satisfactory to the company.

If you have any queries regarding the administration of the AGM, please contact the Company Secretary by letter at the company's registered office address: 11 Grosvenor Place, Belgravia, London SW1X 7HH, UK, by telephone +44(0) 20 7201 8900, or via email at [cosec@petropavlovskplc.com](mailto:cosec@petropavlovskplc.com).

## ENTRY FOR GUESTS

The AGM is a private meeting of shareholders and their representatives. The company's policy concerning the admission of guests is as follows:

1. Guests are not entitled to attend the meeting as of right, but they may be permitted entry at the absolute discretion of the Chairman of the company.
2. A shareholder may be permitted to enter with one pre-registered guest. All guests should be pre-registered in order to be permitted entry. Any shareholder wishing to bring a guest should contact the Company Secretary by letter at the company's registered office address: 11 Grosvenor Place, London SW1X 7HH, UK, by telephone +44 (0) 20 7201 8900, or via email at [cosec@petropavlovskplc.com](mailto:cosec@petropavlovskplc.com).
3. All guests must bring photo ID for entry verification purposes. The shareholder and their guest must enter the meeting at the

same time. The shareholder is responsible for the behaviour of their guest.

4. Proxies and corporate representatives, as they represent other shareholders, may not bring guests to the meeting.

## SECURITY

The company does not permit behaviour that may interfere with anyone's security or safety or the good order of the meeting. Anyone who does not comply may be removed from the meeting.

## HOW TO JOIN THE WEBCAST

If you wish to follow the business of the meeting and have the opportunity to lodge questions in writing during it but do not wish to attend in person, please visit the <https://petropavlovskplc.com/news-and-events/agsm-and-other-events/> page of our website using your smartphone, tablet or computer and follow the link to the webcast for the 2021 AGM.

You will then be prompted to enter your unique 'login code' and 'PIN'.

- Your login code is your 11-digit Investor Code (IVC), including any leading zeros.
- Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.

Your IVC can be found on your share certificate or, if you are registered with Link Group share portal, on the 'Manage your account' page of the portal. You can also obtain this by contacting Link Group, our registrar, by calling +44 (0) 371 277 1020\*.

Access to the webcast of the meeting will be available from 2.30pm on Wednesday 30 June 2021, although you will not be able to submit live questions until the AGM is formally declared open. If you wish to appoint a proxy or corporate representative and for them to attend the webcast on your behalf, please contact Link Group on telephone number +44 (0) 371 277 1020\* as soon as possible and in any event by 2.30pm on Monday 28 June 2021.

If your shares are held within a nominee and you wish to attend the webcast, you will need to contact your nominee immediately. Your nominee must complete a letter of representation and present this to Link Group, no later than 72 hours before the start of the meeting in order that they can obtain for you from Link Group, your unique login code and PIN number to attend the webcast. If you are in any doubt about your shareholding, please contact Link Group by calling +44 (0)371 277 1020\*.

*\*Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday, calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.*

## VOTING AT THE AGM

While we are hopeful that the AGM will be held as an open meeting, shareholders will nevertheless be able to vote on the resolutions under consideration by proxy in advance of the AGM. In light of the current uncertainty as to whether the current restrictions on public gatherings will remain in place at the date of the AGM, we strongly encourage all shareholders to exercise their vote by appointing the Chairman of the meeting (rather than a named individual) as their proxy and providing voting instructions in advance of the AGM, in accordance with the instructions in the notes at pages 7 and 8. All resolutions will be decided on a poll to be called by the Chairman of the meeting. This reflects current best practice and ensures that shareholders who have appointed the Chairman of the meeting as their proxy have their votes fully taken into account.

The results will be published on our website and will be released to the London Stock Exchange as soon as practicable following the conclusion of the AGM.

## QUESTIONS

The AGM is an important opportunity for all shareholders to express their views by asking questions and voting. Your participation in this annual event continues to be very important to us. Shareholders wishing to raise any questions relating to the business of the AGM may do so by submitting them to the company's Investor Relations team ahead of the AGM at [teamir@petropavlovskplc.com](mailto:teamir@petropavlovskplc.com).

Shareholders may also submit questions during the AGM via the webcast. We will endeavour to answer all appropriate questions during the webcast of the AGM, to the extent possible in the time allocated for the meeting, and will publish a summary of responses to all relevant and appropriate questions received, to the extent we are able to do so, on the <https://petropavlovskplc.com/news-and-events/past-events/> page of our website following the meeting.

Please note that shareholders may not use any electronic address provided in this document or in any related documents (including the accompanying form of proxy) to communicate with the company for any purpose other than those expressly stated.

# BIOGRAPHIES OF DIRECTORS STANDING FOR ELECTION AND RE-ELECTION

**Mr. James W Cameron Jr**

Non-Executive Chairman of the Board

**Nationality:** American

**Appointed:** October 2018

**Experience**

Mr. Cameron, a US qualified lawyer, has extensive international experience, providing expertise and consulting services for companies particularly in the natural resources sector within Russia and the former Soviet Union, since 1988. He was formerly Founder, CEO and Chairman of Occupational Urgent Care Systems Inc., a company traded on the NASDAQ National Market until it was sold in 1992.

**External Appointments**

Mr. Cameron is CEO and Chairman of Cameron and Associates.

**Committee membership**

Chairman of the nominations committee and member of the safety, sustainability & workforce committee.

**Ms. Charlotte Philipps**

Senior Independent Director

**Nationality:** German

**Appointed:** November 2019

**Experience**

Ms. Philipps has extensive experience in corporate financing and equity transactions in Russia and in other transitional former Soviet and CMEA countries, principally focused on natural resources.

Ms. Philipps joined the European Bank for Reconstruction and Development (EBRD) in London in 1993, where she held a number of senior positions, latterly as Senior Banker for EBRD's Natural Resources Team. In 2006 she was appointed President and CEO of AIG Russia Century Fund, Moscow. Ms. Philipps lived and worked in Moscow during the period 2006 to 2014. She is a German-qualified lawyer and speaks a number of languages, including Russian.

**External Appointments**

Ms. Philipps is a member of the Strategy and Investment Committee of Inter RAO UES, Russia's largest integrated utility company. She is a member of the Advisory Board of CAPTIS Intelligence Inc., a US-based global industry leader in security and crime prevention, and chairs the board of one of the UK's largest architectural practices.

**Committee membership**

Chairman of the audit and remuneration committees and member of the nominations and safety, sustainability & workforce committees.

**Mr. Maxim Kharin**

Non-Executive Director

**Nationality:** Russian

**Appointed:** April 2020

**Experience**

Mr. Kharin has served as Director for Economics and Finance at UGC since 2012. Prior to joining UGC as CFO, Mr. Kharin held a number of roles in International Audit at Moore Stephens, Accountants, where he was Senior Auditor and director and was responsible for the independent audit of companies across a range of sectors, including mining, with a particular focus on the transformation of Russian Accounting Standards to IFRS. Mr. Kharin has a degree in Computer-Aided Systems of Management from the Far Eastern State Technical University of Russia and qualified as an accountant in 2006. Mr. Kharin was nominated as a director of Petropavlovsk by UGC, the company's largest shareholder.

**External Appointments**

In addition to his role as Director for Economics and Finance at UGC, Mr. Kharin has been Chairman of the Board of UGC since 2018. He is the founder of Technogroupresources Ltd.

**Committee membership**

Member of the nominations and safety, sustainability & workforce committees.

**Mr. Malay Mukherjee**

Independent Non-Executive Director

**Nationality:** Indian

**Appointed:** August 2020

**Experience**

Mr. Malay Mukherjee has over 48 years of experience in technical, commercial and executive roles in the mining and steel industry. Mr. Mukherjee served as the CEO of Essar Steel Global, a large integrated steel company in India from 2009 to 2011. He worked for Arcelor Mittal from 1993 to 2009 and was a member of the Board of Directors at Arcelor Mittal between 2008 and 2009. Between 2006 and 2008, Mr. Mukherjee served as the Senior Executive Vice President at Arcelor Mittal and a member of the Group Management Board. He was in charge of mines and operations in Africa, Asia, southern Europe (Bosnia, Macedonia), CIS, Ukraine, Kazakhstan, and also responsible for Stainless Steel, Pipes and Tubes and Technology. He also served as the COO for Mittal Steel Company between 2004 and 2006. Mr. Mukherjee is a recipient of the MECON Award from the Indian Institute of Metals. Mr. Mukherjee holds a Master's degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India. Mr. Mukherjee is a Member of Academy of Natural Sciences Kazakhstan and Life Member in the Indian Institute of Metals.

**External Appointments**

Mr. Mukherjee currently serves as the lead independent non-executive director of JSW Steel Ltd., one of India's leading steel companies, and chairs the Board of VA Tech Wabag Limited, a company focussed on water treatment for municipal and industrial users, with its headquarters in Chennai, India. In addition, he serves as independent director at AP High Grade Steels Limited, State Government company in Andhra Pradesh, involved in the manufacture of basic iron and steel. Mr. Mukherjee also serves as independent director at Uttam Galva Metallics Limited and Uttam Value Steel Limited, one of the largest manufacturers of cold rolled steel and galvanized steel in Western India.

**Committee membership**

Chairman of the safety, sustainability & workforce committee and member of the audit, nominations and remuneration committees.

**Mr. Mikhail Irzhevsky**

Independent Non-Executive Director

**Nationality:** Russian

**Appointed:** April 2021

**Experience**

Mr. Irzhevsky has over 25 years of commercial experience in internal controls, governance, corporate law and M&A transactions, including in the resources sector and in Russia. Since 2018 Mr. Irzhevsky has been Deputy CEO for Legal Affairs of the Russian Direct Investment Fund. From 2013 to 2018 Mr. Irzhevsky was the Vice-President for Legal Affairs at PJSC Rostelcom and from 2016 to 2017 served on its board of directors. From 1999 to 2013 he practised law at the international law firm, Freshfields Bruckhaus Deringer, including as a partner from 2007.

Mr. Irzhevsky is a qualified lawyer, having studied at the Lomonosov Moscow State University and is a former member of the Moscow Regional Bar Association.

**External Appointments**

In addition to his role with the Russian Direct Investment Fund, Mr. Irzhevsky is a member of the board of Bank Trust in Russia and has served as chair of its audit committee since August 2019.

**Committee membership**

Member of the audit, nominations and remuneration committees.

**Mr. Denis Alexandrov**

Chief Executive Officer and Executive Director

**Nationality:** Russian

**Appointed:** December 2020

**Experience**

Mr. Alexandrov is a highly experienced executive in mining and natural resources, including the Russian gold sector, and has a strong track record of delivering operational excellence and superior shareholder returns. From January 2016 to November 2020, Mr. Alexandrov was Chief Executive Officer of Highland Gold Mining Limited, a top 10 Russian gold producer and developer with exploration assets.

Prior to joining Highland Gold, Mr. Alexandrov held a series of senior positions and board roles at a number of mining and natural resources companies, including as CEO and Director of Auriant Mining AB, a Swedish company focused on gold production in Russia, as Managing Director at A1 Investment Company and as Chief Financial Officer at Arlan Investment Company, both of which had substantial holdings in the mining industry.

**External Appointments**

Mr. Alexandrov is a non-executive director of IRC Limited, a listed company on the Hong Kong Stock Exchange, in which Petropavlovsk PLC owns a 31.1% interest. Mr. Alexandrov was nominated to the board of IRC by the company.

**Committee membership**

Member of the safety, sustainability & workforce committee.

# APPENDIX 1

## THE BESPOKE SHARE OPTION

The terms agreed with the CEO on his joining the company reflect the demands of his role and the competitive market in which the company operates for talent. To facilitate his recruitment, it was agreed, subject to obtaining shareholder approval, to grant the bespoke option. It is intended that the bespoke option will further align the overall remuneration of the CEO with the interests of all shareholders.

The following is a summary of the key features of the bespoke option.

## GRANT

The bespoke option will be granted over such number of shares as is equal to 1.5% of the company's issued share capital at grant. If approved, the bespoke option will be granted as soon as possible following approval at the AGM. No payment is required for the grant of the bespoke option.

## EXERCISE PRICE

The exercise price per share of the bespoke option will be £0.272, the 20-day average share price prior to 1 December 2020, being the date on which the CEO joined the company.

## VESTING

The bespoke option will vest and become exercisable in three tranches, the first immediately on grant, with the remaining two tranches vesting and becoming exercisable on or around 1 December 2021 and 1 December 2022, respectively. The exercise of the bespoke option will not be subject to any performance conditions.

## POST-VESTING HOLDING PERIOD

The shares acquired on the exercise of the bespoke option will be subject to the lock-up restrictions proposed under the company's remuneration policy (currently being 24 months from the date of vesting).

## CESSATION OF OFFICE OR EMPLOYMENT

If the CEO ceases to be employed by or hold office with the group by reason of his death, injury, ill-health, disability or retirement, resignation or termination of employment within six months of a controlling shareholder being obliged to make an offer for the company or for any other reason which the remuneration committee of the board (the **committee**) in its absolute discretion permits, the bespoke option shall vest on its normal vesting date (unless the committee determines that the bespoke option shall vest earlier).

If the CEO ceases to be employed by or hold office for any other reason prior to the bespoke option vesting, the bespoke option will lapse immediately on cessation of office or employment.

## TAKEOVER CHANGE OF CONTROL AND WINDING-UP

In the event of takeover, change of control or winding-up of the company (other than an internal re-organisation), or if the company is affected by a demerger, delisting, special dividend or another event which, in the opinion of the committee, would affect the market price of the company's shares to a material extent, the bespoke option shall immediately vest either on, or shortly before the event. The number of shares subject to the bespoke option shall be pro-rated down to reflect the reduced service period (unless the committee determines otherwise).

Alternatively, the bespoke option may, by agreement with the acquiring company, be exchanged for equivalent awards over shares in the acquiring company.

In the event of an internal re-organisation of the company, the committee shall determine that the bespoke option will either vest to the extent set out above or be automatically exchanged for equivalent awards.

## MALUS AND CLAWBACK

The bespoke option will be subject to malus and/or clawback within two years from the date of vesting if the committee determines that there has been a material misstatement of the company's financial results, an error in the number of shares received pursuant to the bespoke option, material misconduct, the group has suffered serious reputational damage, or circumstances of corporate failure have arisen.

In these circumstances, the committee may reduce (including to zero) future incentive compensation, including but not limited to the amount of any unpaid bonus, and the number of shares under any equity award held by the CEO. It may also require a cash payment to be made by the CEO to the company.

## VARIATION OF SHARE CAPITAL

In the event of any variation in the ordinary share capital of the company, by way of capitalisation of profits or reserves or by way of any consolidation or sub-division, or reduction of capital or otherwise and in respect of any discount element in any rights issues, or in the event of any payment of a special dividend, or such other event which would affect the market price of a share to a significant extent, the number of shares subject to the bespoke option and the exercise price of the bespoke option may be adjusted in such manner as the committee determines is appropriate.

## VOTING, DIVIDEND AND OTHER RIGHTS

The CEO will have no voting or dividend rights in respect of the shares subject to the bespoke option until the bespoke option is exercised.

Shares allotted under the bespoke option will rank *pari passu* with the existing shares with the exception of rights attached by reference

to a record date prior to the date of exercise of the relevant tranche of the bespoke option. Application will be made to the Financial Conduct Authority and the London Stock Exchange for all such shares to be admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's market for listed securities.

The bespoke option is non-transferable and non-pensionable.

## AMENDMENTS

The bespoke option may be amended in any respect by the committee provided that the prior approval of the company in general meeting is required for amendments made to the material benefit of the CEO.

No amendment may be made to the bespoke option if it would adversely affect the existing rights of the CEO under the bespoke option without the approval of the CEO.

However, minor amendments to the benefit of the administration of the bespoke option, to take account of changes in legislation, exchange control or regulatory treatment or to take account of a corporate transaction, may be made without the need for either of the approvals set out above where such amendments do not alter the basic principles of the bespoke option.

The committee may (without the approval of shareholders or the CEO) modify the terms of the bespoke option to obtain or maintain favourable tax treatment (for the CEO or the company).

## INTERNATIONAL

The committee may (without shareholder approval) modify the terms of the bespoke option to take account of tax laws or other legal or regulatory requirements in any relevant country, provided that the terms of the bespoke option as modified shall not be materially more favourable overall than the terms of the bespoke option as set out in this summary.



**Petropavlovsk PLC**

Incorporated in England and Wales  
with registered no. 04343841

11 Grosvenor Place  
London  
SW1X 7HH, UK

+44 (0)20 7201 8900  
teamir@petropavlovskplc.com

[www.petropavlovskplc.com](http://www.petropavlovskplc.com)



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