



Petropavlovsk PLC

SCHEDULE OF MATTERS RESERVED FOR THE BOARD OF DIRECTORS OF THE COMPANY

Version 1.0

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Owner: Company Secretarial

Oversight: Board of Directors

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Petropavlovsk PLC Board: 30 August 2021

Reviewed: []

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PETROPAVLOVSK PLC

SCHEDULE OF MATTERS RESERVED FOR THE BOARD OF DIRECTORS OF THE COMPANY

The Board's role is:

- To provide effective and entrepreneurial leadership of the Company.
- To promote the long-term sustainable success of the Company generating value for shareholders and contributing to wider society.
- To establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned.
- To ensure that necessary resources are in place for the Company to meet its objectives and measure performance against them.
- To establish a framework of prudent and effective controls, which enable risk to be assessed and managed.
- To ensure effective engagement with, and encourage participation from, shareholders and stakeholders.
- To ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success.

While the Board has delegated day to day management of the business of the Group to Management to manage in accordance with the directions and policies of the Board from time to time, certain matters are expressly reserved to the Board. Those matters are detailed in this document and require express approval of the Board.

In addition, the Board has delegated certain of its responsibilities to its committees, including the oversight of certain risks, as set out in its terms of reference for each such committee. The Board may choose to delegate additional responsibilities from time to time. In considering the responsibilities of the Board, the duties and powers delegated to those committees should be taken into account. The committees report to the Board periodically, making recommendations on matters within their remit on which Board approval is required.

The following matters are reserved for the Board:

1. Leadership and culture

- 1.1 Responsibility for the overall leadership of the Group and establishing the Group's purpose, values and culture.
- 1.2 Assessing and monitoring the culture of the Group, including whether it is consistent with its purpose, strategy and values.
- 1.3 The making of any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

2. Strategy and management

- 2.1 Setting the strategy of the Group (including on sustainability) and approving its strategic aims and objectives.
- 2.2 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 2.3 Oversight of the Group's operations ensuring:
 - competent and prudent management;
 - sound planning;
 - maintenance of sound management and internal control systems;
 - adequate accounting and other records; and
 - compliance with statutory and regulatory obligations.
- 2.4 Regular review of performance in the light of the Group's strategic aims, objectives, business plans and budgets.
- 2.5 Any extension of the Group's activities into new business or geographic areas.



2.6 Any decision to cease to operate all or any material part of the Group's business.

3. Transactions, contracts and litigation

3.1 Approval of any investment, capital expenditure or financial commitment save where authority to approve a transaction or commitment of that type and value has been expressly delegated to Management or where that transaction or commitment is expressly contemplated within the Group's annual budget for the relevant year as approved by the Board.

3.2 Approval of any matter requiring approval of the shareholders.

3.3 Approval of all related party transactions in accordance with the Group's related party transactions policy.

3.4 Approval of the commencement, defence or settlement of any litigation or other judicial proceedings or arbitration or other dispute resolution mechanism or process to which the Company or the Group is party save where authority to do so has been expressly delegated to Management.

4. Structure and capital

4.1 Changes relating to the Company's capital structure including any reduction of capital, share issues or allotments (except under employee share schemes) and share buy-backs including the issue of treasury shares.

4.2 Major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the Group.

4.3 Any changes or additions to the Company's listings, domicile, tax status or its status as a public company.

5. Financial reporting and controls

5.1 Approval of quarterly or half-yearly reports on performance, interim management statements and any preliminary announcements of the final results for any year.

5.2 Approval of the annual report and accounts (including the corporate governance statement and directors' remuneration report).

5.3 Approval of any dividend policy and any returns to shareholders, including any interim dividend and recommendation to the Company in general meeting of any final dividend.

5.4 Approval of any significant changes in accounting policies or practices.

5.5 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

5.6 Approval of the appointment or removal of the Group's external auditor to be put to the Company in general meeting, on recommendation of the Audit Committee.

6. Risk management and internal controls

6.1 Assessing and monitoring the principal and emerging risks of the Group.

6.2 Establishing and maintaining of a sound system of internal controls to enable risks to be assessed and managed, including:

- Approving the Group's risk management framework and Group risk thresholds and setting risk appetite;
- Reviewing the effectiveness of the Group's risk and control processes to support its strategy and objectives;
- Approving and monitoring procedures for the detection of fraud, for the prevention of bribery and for legal and regulatory compliance;
- Overseeing the establishment and maintenance of internal controls over the reliability of financial reporting;
- Approving an appropriate statement for inclusion in the annual report.

6.3 Approval of the overall levels of and any material changes to the Group's insurances, including



Directors' and Officers' liability insurance.

7. Board membership and committees

- 7.1 Determining the size, structure and composition of the Board, to ensure it and its Committees have the appropriate balance of skills, knowledge and experience, including appointing or terminating the appointment of the following on recommendation of the Nominations Committee:
- Any person as a director or secretary;
 - A director to hold employment or executive office within the Group or to be chairman of the Board or senior independent director;
 - Any person as a member, chair or secretary of any board committee.
- 7.2 Ensuring adequate succession planning for the Board and senior executives so as to maintain an appropriate combination of skills, experience and knowledge and to promote diversity within the Company and on the board.
- 7.3 Approving the terms of appointment of the non-executive directors
- 7.4 Approving appointments to the boards of Group subsidiaries.
- 7.5 Approval of the terms of reference of the Board's committees

8. Remuneration

- 8.1 On recommendation of the Remuneration Committee, approving a remuneration policy for the directors, company secretary and other senior executives, to be put to shareholders, which supports the Company's strategy and long-term sustainable success, is aligned to Company purpose and values and linked to the delivery of the long-term strategy.
- 8.2 Determining the remuneration of the fees of non-executive directors, in accordance with the remuneration policy in force.
- 8.3 Approving any new share incentive plans or major changes to existing plans, to be put to shareholders for approval, on recommendation of the Remuneration Committee.

9. Corporate governance

- 9.1 Approval of the Group's policies on or setting out its code of business conduct and ethics, the rules around dealing in the Company's shares, anti-bribery and corruption, sustainability and whistleblowing and any policies which the Group may adopt from time to time relating to diversity, the control and release of price sensitive information, charitable or political donations or the prevention or detection of fraud.
- 9.2 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors.
- 9.3 Determining the independence of non-executive directors.
- 9.4 Monitoring the Company's overall corporate governance arrangements.
- 9.5 Considering the balance of interests between shareholders, employees and other stakeholders, including customers, suppliers, the community, taking account of the impact of the Company's operations on the community and the environment.
- 9.6 Ensuring a satisfactory dialogue with shareholders and receiving reports on their views and those of other stakeholders.
- 9.7 Approval of the division and definition of responsibilities of the chairman, senior independent director and CEO.
- 9.8 Approval of all circulars, prospectuses and listing particulars and any resolution to be put to the shareholders in general meeting.
- 9.9 Approval of material press releases concerning matters decided by the Board.
- 9.10 Authorising conflicts of interest where permitted by the Company's articles of association.



9.11 Approval of the Company's and the Group's delegations of authority.

9.12 Any changes to this schedule of matters reserved to the Board.

10. Miscellaneous

10.1 The making of political donations by the Group.

10.2 Approval of the appointment of the Group's principal professional advisers.

10.3 Major changes to the rules of the Group's pension scheme, or changes of trustees or, when this is subject to the approval of the Company, changes in the fund management arrangement.

10.4 Any other matter required to be considered or approved by the board as a matter of law or regulation or which is likely to have a material impact on the Company or the Group's reputation.

Definitions

In these matters reserved, the following words have the meanings set out below:

Board:	The board of directors of the Company at any time
CEO:	The chief executive officer of the Company from time to time
Company:	Petropavlovsk PLC
Group:	The Company and all and each of its direct or indirect subsidiaries from time to time (as defined in s1159 of the Companies Act 2006)
Including:	Including without limitation
Management:	The senior leadership of the Company below board level at any time, including the CEO and senior executives.
Senior executives:	Executive Committee members, executives with direct reporting line to CEO (not in admin role) and Company Secretary.
Sustainability	Sustainable development including health & safety, environmental (including climate change), social responsibility and community relations matters.