



PETROPAVLOVSK

PETROPAVLOVSK PLC
(company)
SAFETY, SUSTAINABILITY & WORKFORCE COMMITTEE
(committee)

TERMS OF REFERENCE

Adopted by the board of directors (*board*) of the company on **22 December 2021**

1. Purpose

The primary purpose of the committee is oversee, on behalf of the board, the group's sustainability strategies, policies, development and performance. 'Sustainability' encompasses:

- health and safety;
- environment, including water management and climate change;
- social and community relations, including relations with communities, employees, contractors, suppliers and supply chains, issues related to land use, human rights and society as a whole.

Matters within the remit of the committee are referred to in these terms of reference as within its 'scope'.

Changes to these terms of reference shall only be effective if approved by the board.

2. Membership

- 2.1 The committee shall comprise at least three directors, including the Chairman of the board of directors. A majority of members of the committee shall be independent non-executive directors and at least one member of the committee must have relevant skills, experience or qualifications, as determined by the board, in sustainability related matters.
- 2.2 Members of the committee are appointed by the board on the recommendation of the nomination committee in consultation with the chairman of the committee. Appointments shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the proposed appointee continues to meet the criteria for membership of the committee.
- 2.3 Only members of the committee have the right to attend committee meetings. However, other individuals including the Chairman of the company, or any director, employee or external adviser may be invited to attend for all or any part of any meeting of the committee, as and when appropriate.
- 2.4 The board shall appoint the committee chairman who shall be an independent non-executive director. In the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms to be appointed to that position by the board.

3. Secretary

The Company Secretary or their nominee shall act as the secretary of the committee.



4. Quorum

The quorum necessary for the transaction of business shall be two members, one of whom shall be the chairman of the committee. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities and powers and discretions vested in or exercisable by the committee.

5. Frequency of meetings

The Committee shall meet at least two times a year and otherwise as required.

6. Notice of meetings

- 6.1 Meetings of the committee shall be summoned by the secretary of the committee at the request of the chairman of the committee or any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the committee and any other person required to attend before the meeting. The agenda of items to be discussed and any supporting papers shall be sent to committee members and other attendees, as appropriate, in sufficient time prior to the meeting to allow their proper consideration.

7. Minutes of meetings

- 7.1 The secretary shall minute the proceedings and decisions of all committee meetings, including recording the names of those present and in attendance.
- 7.2 Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, minutes should be circulated to all other members of the board, unless it would be inappropriate to do so.

8. Engagement with shareholders

The chairman of the committee shall attend the annual general meeting to answer any shareholder questions on the committee's activities and seek engagement with the company's shareholders on significant matters related to the committee's areas of responsibility.

9. Duties

The committee's duties extend to the company and the group as a whole. The 'group' shall mean the company and each and all of its direct and indirect subsidiaries from time to time.

The committee shall:

Policies

- 9.1 Review and approve for recommendation to the board board-level policies and standards on sustainability.
- 9.2 Consider and advise the board of material regulatory and voluntary developments in sustainability.
- 9.3 Assess the adequacy and appropriateness of the group's approach to sustainability and recommend improvements to the board or to management, as appropriate.



Processes and monitoring

- 9.4 Receive reports from management on and review significant sustainability incidents and ensure appropriate management's response.
- 9.5 receive regular reports from management on and monitor:
 - 9.5.1 the implementation, operation and effectiveness of policies and standards within its scope.
 - 9.5.2 the group's performance on sustainability;
 - 9.5.3 group compliance with sustainability legislation, regulation, standards and good practice;
 - 9.5.4 the adequacy and effectiveness of processes and controls within the group to ensure compliance with regulatory requirements, policies and standards within its scope;
 - 9.5.5 allocation of resources to achieve compliance with policies and standards, improve performance and meet KPIs within its scope;
 - 9.5.6 management's commitment to the behaviours required by the policies and standards within its scope.
- 9.6 Receive reports on the group's approach and actions to combat modern slavery in its workforce and supply chain.

Risk management

- 9.7 Monitor the effectiveness of the processes to assess and manage significant sustainability risks and opportunities.
- 9.8 Coordinate with the Audit Committee on management of sustainability risks.

Targets

- 9.9 Review and recommend to the board any key performance indicators (*KPIs*) proposed to be adopted by the group in relation to sustainability.
- 9.10 receive reports from management on and monitor performance against such KPIs as are approved.
- 9.11 review and advise the Remuneration Committee on metrics proposed for incentive plans for the executive management relating to sustainability and on performance against those targets.

External audit and assurance reviews

- 9.12 Review the results of independent audits of the group's performance on sustainability, review any strategies and/or action plans developed by management in response to issues raised and, where appropriate, make recommendations to the board concerning the same.

Workforce engagement

- 9.13 Oversee the group's arrangements to ensure engagement between the board and the workforce and report to the board on the outcome of that engagement.

Reporting

- 9.14 Report regularly to the board on the proceedings of the committee and provide the board with copies of the minutes of its meetings.
- 9.15 Report to the board on its work in discharging its responsibilities and the outcome of its annual performance review.
- 9.16 Report to the board on sustainability risks.
- 9.17 Evaluate and oversee, on behalf of the board, the quality and integrity of reporting to external



stakeholders concerning sustainability issues, including any disclosures on sustainability in the group's annual report and the group's annual sustainability report.

9.18 Review and recommend to the board the group's annual statement on modern slavery.

Further

9.19 In carrying out its duties the committee shall:

9.19.1 Recognise the need to minimise the company's long-term negative impacts and to provide sustained benefits to company's shareholders, investors, employees, customers, suppliers, neighbouring communities, governments and society.

9.19.2 Appoint external consultants where appropriate.

9.19.3 Promote ethical, transparent and responsible behaviour, engagements with the group's key stakeholders and communities and the group's contribution, where possible, to the development and growth of healthy and sustainable communities where the group operates.

10. Other matters

The committee shall:

10.1 Have access to sufficient resources in order to carry out its duties, including access to independent professional technical expertise in the areas within its remit and the assistance of the company secretary as required.

10.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

10.3 Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code (the 'Code') and associated guidance, FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

10.4 Ensure that a periodic evaluation of the committee's own performance is carried out.

10.5 At least once a year, review the committee's constitution and terms of reference and recommend any changes it considers necessary to the board for approval.

10.6 Work and liaise as necessary with other board committees, ensuring the interaction between committees and with the board is reviewed regularly.

11. Authority

The committee is authorised to:

11.1 Seek any information it requires from any employee of the company or the group in order to perform its duties and all employees shall be directed to co-operate with any request made by the committee.

11.2 Call any employee to be questioned at a meeting of the committee as and when required.

11.3 Obtain, at the company's expense and after consultation with the Chairman of the board, outside legal or other professional advice on any matters within its terms of reference (within such budgetary constraints as may be set by the board).

11.4 Delegate any of its powers to a sub-committee, an individual director or the executive committee of the company, if it considers this appropriate.



Reviewed and approved by the Committee between 9 and 22 December 2021
Approved and adopted by the board on 22 December 2021