

## **Polymetal International plc (the *Company*)**

### **SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

The following are the matters which are specifically reserved for the Board of the Company:

#### **1. STRATEGY AND MANAGEMENT**

1.1 Approval of the Group commercial strategy and long-term objectives, the annual operating and capital expenditure budgets and any material changes to them. The executive directors are responsible for the day-to-day management of the Group and developing the Group business strategy and objectives and budget and forecasts and, once approved by the Board, ensuring their successful implementation.

1.2 Oversight of the group's operations ensuring: competent and prudent management, sound planning, an adequate system of internal control, adequate accounting and other records and compliance with statutory and regulatory obligations.

1.3 Reviewing the performance of the Group in the light of its business strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

1.4 Approval of any material extension of the Group's activities into new business or geographic areas and any decision to cease to operate all or any material part of the Group's business.

#### **2. STRUCTURE AND CAPITAL**

2.1 Approval of changes to the Company's capital structure, including any reduction of capital, share buy backs or issues of shares (where the consideration exceeds USD 25 million) or other securities.

2.2 Approval of share issues, consideration for which does not exceed USD 25 million, is delegated to any director holding any executive office.

2.3 Approval of share issues under employee share plans is delegated to the Remuneration Committee.

2.4 Approval of any issue of securities of a Company in the Group to a person not a member of a Group, where such issue is material in the context of the Group.

2.5 Approval of any proposed alteration to the articles of association of the Company.

2.6 Approval of any changes to the Company's listing, the markets on which its securities are traded or its status as a plc.

2.7 Approval of any major restructuring or reorganisation of the Group.

### **3. FINANCIAL REPORTING**

3.1 Approval of the half-yearly report, interim management statements and all preliminary announcements of the final results.

3.2 Approval of the annual report and accounts including the corporate governance statement and remuneration report.

3.3 Approval of the dividend policy, declaration of any interim dividend and the recommendation (subject to the approval of shareholders in general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company.

3.4 Approval of any material changes in accounting policies and practices.

3.5 Approval of treasury policies (including interest rate and foreign currency exposure and the use of financial derivatives).

### **4. RISK MANAGEMENT AND INTERNAL CONTROLS**

4.1 Ensuring the Group has effective systems of internal control and risk management and, on an annual basis, review of the systems of control in place.

4.2 Approving an appropriate statement on the Group's risk and control processes for inclusion in the annual report.

4.3 Adoption of (or material amendment or variation to) the major policies from time to time of the Group relating to the conduct of business, environmental, health and safety, insurance and risk management, communications, political or charitable donations.

### **5. CONTRACTS AND EXPENDITURE**

5.1. Intragroup transactions and contracts, arrangements or transactions entered into by the Company or another member of the Group in the ordinary course of business, including but not limited to bullion and concentrate sales at market terms irrespective of amount, are not subject to the approval by the Board or its Committees. Such transactions, contracts and arrangements shall be executed by the executive bodies of the relevant Group members.

5.2. The Audit and Risk Committee of the Board (without prejudice to clause 5.1.) shall approve following contracts, arrangements or transactions, which are material strategically or by reason of size, entered into by the Company or another member of the Group:

- bank borrowings above USD150 million;
- guarantees or suretyships to secure obligations of any member of the Group above USD150 million;

- capital expenditure (except included in the budget) that will have, or is likely to have, a financial cost greater than USD25 million;
- acquisitions or disposals of fixed assets (except included in the budget) above USD25 million;
- guarantee or suretyship to secure obligations of a company which is not a Group member above USD25 million;
- cash based acquisition or disposal of shares or participation interests in subsidiaries or other entities above USD25 million;
- any other contracts, arrangements or transactions (other than those included into the budget) above USD20 million;
- foreign currency (other than Russian rubles) transactions up to USD100 million.

5.3 Approval of matters within the above categories which also require approval by the Company's shareholders is reserved to the Board.

## **6. COMMUNICATIONS**

6.1 Convening general meetings of the Company.

6.2 Approval of all resolutions and corresponding documentation to be put to shareholders at a general meeting.

6.3 Approval of any listing particulars or prospectuses, circulars to holders of the Company's securities and recommendations in respect of any matters or notices which may be submitted to holders of the Company's securities in accordance with statutory requirements or requirements of the Financial Services Authority or London Stock Exchange or the Company's articles of association.

6.4 Approval of press releases concerning financial results and material transactions and any other matters decided by the Board.

## **7. GOVERNANCE MATTERS**

7.1 Appointment of the Chairman, Senior Independent Director, Group Chief Executive Officer, Executive and any directors of the Company, determining whether a director is independent, the appointment of other senior management and directors of the Group, any removals and re-elections of any of such people, and succession planning for the Board and senior management of the Group (taking account of recommendations from the Nominations Committee where appropriate).

7.2 Changes to the structure, size and composition of the Board (taking account of recommendations from the Nomination Committee where appropriate).

7.3 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Group, subject to the law and their service contract.

- 7.4 Appointment and removal of the Company Secretary.
- 7.5 Recommendation to shareholders of the appointment, re-appointment or removal of the Group's external auditors (taking account of recommendations from the Audit Committee).
- 7.6 Membership and chairmanship of board committees.
- 7.7 Formal review of the performance of the Board and its committees, individual directors and the Group's overall corporate governance framework.
- 7.8 Establishment of and any amendment to, the terms of reference and membership of the Audit, Remuneration and Nomination Committees and receive reports on their activities.
- 7.9 Receiving and considering the views of the Company's shareholders.
- 7.10 Material interaction with regulators, including during any investigations.
- 7.11 Approval of the limits of authority delegated to the Group Chief Executive, Executive, Finance Director and other directors.
- 7.12 Approval of any political donations. Approval of charitable donations in excess of USD 5 million.
- 7.13 Approval of any conflicts of interest of Board members.
- 7.14 Considering the balance of interests between shareholders, employees, customers and the community.

## **8. REMUNERATION**

- 8.1 Determination and agreement with the Remuneration Committee of the framework or broad policy for the remuneration of the Company's Chairman, executive directors, the Company Secretary and members of the Executive Committee.
- 8.2 Introduction of share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 8.3 Determination of the remuneration of non-executive directors of the Company on the recommendation of the executive directors, subject to the articles of association of the Company and shareholder approval as appropriate.

## **9. DELEGATED AUTHORITY**

- 9.1 Approval of lists of delegated authority to approve expenditure, investments, and other matters as the Board may determine.
- 9.2 Approval of the division of responsibilities between the Chairman, the Group Chief Executive Officer and other senior executives which should be in writing and of

delegated authorities for the Group Chief Executive Officer, Chief Financial Officer and other senior Group management.

## **10. OTHER MATTERS**

- 10.1 Approval and monitoring of the code of conduct and share dealing code.
- 10.2 Approval and monitoring of the corporate social responsibility policy and report.
- 10.3 Approval and monitoring of the health and safety policy and report.
- 10.4 Approval and monitoring of the communications policy and report.
- 10.5 Prosecution, defence or settlement of litigation or other dispute resolution material to the interests and reputation of the Group or to which the Group is a party where the potential liability or claim is in excess of USD10 million.
- 10.6 Approval of the Group's levels of insurance, including directors and officers liability insurance and indemnification of directors.
- 10.7 Approval of any material changes to the rules of any pension plan or the introduction of any new schemes or changes of trustees or, if subject to the approval of the Company, changes in the fund management arrangements.
- 10.8 Approval of any other matters which are reserved for decision by the Board in accordance with the requirements of applicable law, regulation or pursuant to the articles of association of the Company.
- 10.9 This schedule of matters reserved for the Board and its review at least annually.