

POLYMETAL INTERNATIONAL PLC (THE COMPANY)

SAFETY AND SUSTAINABILITY COMMITTEE - TERMS OF REFERENCE

1. BACKGROUND

1.1 The Board of Directors of the Company (the *Board*) has resolved to establish a Safety and Sustainability Committee (the *Committee*). These terms of reference replace any previous terms of reference for any health, safety and sustainability committee of the Board.

1.2 In this document 'Group' means the Company and its subsidiary undertakings from time to time.

1.3 At every level of the Group, managers are responsible for health, safety and sustainability matters, however ultimate responsibility for overseeing the policies, processes and strategies will remain with the Safety and Sustainability Committee of the Board.

2. PURPOSE AND SCOPE

2.1 The objective of the Committee is to assist the Board in overseeing the Company's overall approach to safety and sustainability, ensuring that the Company consistently exhibits and promotes transparent and responsible behaviour, engages key stakeholders and communities, achieves compliance with sustainable development commitments and strives for an industry leadership position on sustainability. The Committee shall monitor and review risks and opportunities in the following areas:

- (a) health and safety, including wellbeing of our employees and contractors;
- (b) environmental impact, including waste and water management, climate change, air pollution, biodiversity, mine closure and rehabilitation; and
- (c) approach to community relations, human rights, socio-economic development and other material topics of sustainable development.

3. DUTIES OF THE COMMITTEE

3.1 The Committee shall:

- (a) fulfil its oversight responsibilities with respect to due diligence in the Company's overall approach to safety and sustainability, including the establishment and periodical review of the safety, health and sustainability strategy and policies, encourage, support and guide the management, as may be requested from time to time, in developing and implementing short and long term policies and standards to ensure that the principles set out in the health, safety and sustainability policies are being adhered to and achieved, and recommend any changes it considers desirable to the Board for approval;
- (b) ensure that the Company consistently exhibits and promotes ethical, transparent and responsible behaviour; engage key stakeholders and communities; and

contribute, where possible, to the development and growth of healthy and sustainable communities wherever it operates;

- (c) review the Group's culture, ethics and values programmes as approved by the Board and implemented by Management from time to time. The Committee shall also review the metrics established to monitor progress, including Key Performance Indicators (KPI's), and performance against such KPI's and liaise with the Remuneration Committee on the matter where appropriate.
- (d) review the effectiveness of the policies, systems, risk management, programs and processes in place to manage health and of safety the employees, contractors, visitors and the general public;
- (e) review the overall process for identifying and assessing sustainability risks and managing their impact on the Company and the Group;
- (f) liaise with the Audit and Risk Committee of the Board and Internal Audit Department, as appropriate, and oversee the management of the implementation of systems necessary for compliance with safety, health and sustainability strategy and policies;
- (g) receive reports from the management on significant safety, health and sustainability issues, including reports from management concerning all fatalities and serious accidents within the Group and actions taken by management as a result of such fatalities or serious accidents;
- (h) bring any material noncompliance with the policies to the attention of the Board in a timely fashion;
- (i) oversee management's interaction with regulatory authorities on safety, health and sustainability matters;
- (j) advise of significant event trends, including material regulatory and voluntary developments in sustainability issues;
- (k) review the safety, health and sustainability performance of the Group, assess the impact of decisions and actions with regard to the impact of health, safety, environmental and community relations on the reputation of the Group;
- (l) receive regular updates from management regarding:
 - (i) compliance with safety, health and environmental regulatory requirements and internal targets;
 - (ii) commitment to the principles of the International Council on Mining and Metals and the UN Global Compact regarding sustainable development¹; and

¹ <https://www.icmm.com/our-work/sustainable-development-framework/10-principles>

- (iii) the policies and systems in place to monitor such compliance.
- (m) review the benchmarking of the policies and systems and monitoring processes of the Group against industry best practices;
- (n) monitor the quality and integrity of public reporting to external stakeholders concerning health, safety, environmental and community relations issues and review and recommend to the Board approval of the Sustainability Report;
- (o) make periodic visits to the Group's operation sites in order to become familiar with the nature of the production processes and local teams; and
- (p) consider other matters as referred to the Committee by the Board.

4. COMPOSITION

4.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members. A majority of the members of the Committee shall be non-executive directors of the Company.

4.2 The Board shall appoint the Chair of the Committee who shall be an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of the non-executive directors to chair the meeting.

4.3 Only members of the Committee have the right to attend Committee meetings. However other individuals may be invited to attend all or part of the meeting.

4.4 Appointments to the Committee shall be for a period of up to three years, extendable for two further three-year periods.

5. QUORUM

5.1 The quorum necessary for the transaction of business shall be two members, both of whom must be non-executive directors, provided that the majority of directors participating (whether by means of electronic communication or otherwise) are located outside the United Kingdom, or the Republic of Kazakhstan, or the Russian Federation.

5.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. MEETING ADMINISTRATION

6.1 The Committee shall meet at least three times a year and at such other times as the Committee Chair shall require. Any of the Committee members may request a meeting of the Committee if they consider it necessary.

6.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.

6.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details, if required, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors as soon as practicable and in any event, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. SECRETARY

7.1 The company secretary or such person as the company secretary nominates shall act as the secretary of the Committee.

7.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.3 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.4 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

8. SELF-EVALUATION

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval.

9. REPORTING RESPONSIBILITIES

9.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is desirable.

9.3 The Committee Chair shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

10. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) 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;

- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules, Global Reporting Initiative Guidelines and Global Compact, and ICMC principles and any other applicable rules, as appropriate; and
- (d) oversee any investigation of activities which are within its terms of reference.

11. AUTHORITY

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information that it requires from any Group employee in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend at meetings of the Committee;
- (d) call any Group employee to be questioned at a meeting of the Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members or the secretary.