



PETROPAVLOVSK

PETROPAVLOVSK PLC

(the 'Company')

Safety, Sustainability & Workforce Committee (the 'Committee')

TERMS OF REFERENCE

1 Background

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

2 Purpose

The role of the Committee is (i) to assist the Board in obtaining assurance that appropriate systems are in place to deal with the management of health, safety, environment and community relations risks (ii) to provide advice on best practice for issues under the Committee's remit and (ii) to seek active engagement with the Group's workforce on behalf of the Board. In doing so, the Committee shall:

- 2.1 review the Group's health, safety, environment and community relations strategy;
- 2.2 monitor and review on behalf of the Board the performance of the Group in relation to health, safety, environmental, social and community relations issues and the Group's compliance with legal and regulatory bodies in relation to these issues;
- 2.3 advise the Board on the best industry practices, requirements of the London Stock Exchange or other regulatory bodies on the state of the health, safety, environmental, social and community relations issues within the Company and risks associated with these issues;
- 2.4 monitor the quality of reporting of health, safety, environmental, social and community relations issues to the Company's shareholders and other stakeholders;
- 2.5 engage with the workforce to understand their views and communicate these to the Board such that these can be taken into account in the Board's discussions and decision making; and
- 2.6 review and make recommendations, as appropriate, on the Group's corporate social responsibility policies to ensure that the Group makes a positive impact on the local community.



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3 Membership

- 3.1 The Committee shall be appointed by the Board on the recommendation of the Nomination Committee and shall be made up of a Chairman and at least two other members.
- 3.2 The Board shall appoint the Committee Chairman who shall be an Independent Non-Executive Director. In the absence of the Committee Chairman to chair a meeting, the remaining members present shall elect one of their members to chair that meeting.
- 3.3 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 by the Committee Chairman to attend for all or any part of any meeting of the Committee.
- 3.4 The appointment of the Committee Chairman shall be for a period of up to three years, which may be extended for two further three-year periods provided the director remains independent.

4 Quorum

The quorum necessary for the transaction of business shall be the Committee Chairman and at least two other members. 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 granted by these Terms of Reference.

5 Meeting Administration

- 5.1 The Committee shall meet at least four times a year and at such times as the Committee Chair shall require. Any of the Committee members may request a meeting of the Committee if he or she considers it necessary.
- 5.2 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 the independent Non-Executive Directors as soon as practicable and in any event, not later than four 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.

6 Secretary

- 6.1 The Company Secretary or his nominee shall act as the Secretary of the Committee.
- 6.2 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including names of those present and in attendance.



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- 6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee.

7 Evaluation

- 7.1 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.
- 7.2 An external evaluation of the Committee's performance will be undertaken at least every three years.

8 Annual General Meeting

- 8.1 The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

9 Duties

The Committee shall

- 9.1 assess the policies and systems within the Group for ensuring compliance with health, safety and environmental regulatory requirements.
- 9.2 Review the investigations of incidents or accidents that occur in order to assess whether policy improvements are required.
- 9.3 Monitor, via relevant Key Performance Indicators, the effectiveness of the policies, systems, risk management, programs and processes in place to manage the health and safety of employees, contractors and visitors and to mitigate environmental impacts;

In this respect the Committee shall receive regular updates from management regarding:

- (i) Compliance with safety, health and environmental legislation and internal targets; and
- (ii) The policies and systems in place to monitor such compliance.
- 9.4 Receive reports from management on significant safety, health and sustainability issues.
- 9.5 Ensure that the Company consistently exhibits and promotes ethical, transparent and responsible behavior, engages with its key stakeholders and communities; and contributes, where possible, to the development and growth of healthy and sustainable communities where it operates.
- 9.6 Review the Company's Modern Slavery Statement on an annual basis on behalf of the Board.
- 9.7 The Chairman of the Committee, or at his request another Non-Executive Director, shall meet with representatives of the workforce and relevant unions in Russia at least annually. The Committee



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Chairman or his alternate will report back to the Committee and the Board on these discussions in order that the Board can take into consideration the views of its workforce when making any decisions as appropriate.

- 9.8 The Committee shall evaluate and oversee, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning health, safety, environmental and community and workforce relations issues.
- 9.9 The Committee shall assess the performance of the Group with regard to the impact of health, safety, environmental and community relations decisions and actions upon employees, communities and other third parties. It shall also assess the impact of such decisions and actions on the reputation of the Group.
- 9.10 There shall be an appropriate level of liaison between the Committee and the local communities in which the Group operates to enable the Committee to fulfil its Terms of Reference.
- 9.11 The Committee shall review the results of independent audits of the Group's performance in regard to health, safety, environmental and community relations matters, review any strategies and action plans developed by management in response to issues raised and, where appropriate make recommendations to the Board concerning the same.
- 9.12 The Committee shall ensure that the Board is aware of all recent regulations introduced by the London Stock Exchange, EU and other bodies and shall provide relevant recommendations. The Committee may appoint an external consultant where appropriate.
- 9.13 The Committee shall ensure that the Company complies with Global Reporting Initiative and IFC guidelines in relation to the environment.

10 Reporting and external disclosures

- 10.1 Regularly report to the Board on the matters discussed. The minutes of each meeting shall be circulated to the Board
- 10.2 Report to the Board on its work in discharging its responsibilities during the year.
- 10.3 The Committee shall make a statement in the annual report about health, safety, environment, employee engagement and community relations issues.

11 Other

- 11.1 The Committee shall 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.
- 11.2 The Committee shall receive information from management relating to health, safety, employee and community engagement and the environment as appropriate to enable the Committee to carry out its duties in accordance with its Terms of Reference.



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12 Authority

The Committee is authorised to:

- 12.1 seek any information it requires from any employee of the Company in order to perform its duties and all employees shall be directed to co-operate with any request made by the Committee.
- 12.2 call any employee to be questioned at a meeting of the Committee as and when required.
- 12.3 obtain, at the Company's expense and after consultation with the Chairman, outside legal or other professional advice on any matters within its terms of reference.
- 12.4 The Committee is authorised to delegate any of its powers to a sub-committee, an individual director or the Executive Committee if it considers this appropriate.

Approved on 12 June 2019