



**Notice of Annual General Meeting  
Tuesday 16 May 2017  
at 10.30 am (BST)**

to be held at  
etc Venues  
Monument  
8 Eastcheap  
London  
EC3M 1AE  
UK

**This document is important and requires your immediate attention.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor or accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in Polymetal International plc, you should pass this Notice of Meeting and accompanying documents to the purchaser or transferee, or to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee. A personalised proxy appointment form for use by holders of ordinary shares in the Company has been despatched with this Notice.

29 March 2017

Dear Shareholder

## Annual General Meeting

I am pleased to enclose the Notice convening the forthcoming Annual General Meeting (the 'AGM') of shareholders of Polymetal International plc (the 'Company'), which will be held on 16 May 2017 at etc. venues Monument, 8 Eastcheap, London, EC3M 1AE, UK at 10.30 am British Summer Time ('BST'). The business to be considered at the AGM is set out in the Notice of AGM, which you can find on pages 4 to 5 of this document. Explanatory notes on each Resolution to be considered at the AGM appear on pages 7 to 9 of this document.

### Final Dividend

Shareholders are being asked to approve a final dividend of US\$0.18 per ordinary share for the financial year ended 31 December 2016. If you approve the recommended final dividend, this will be paid on or around 26 May 2017 to all ordinary shareholders who are on the register of members on 5 May 2017. The dividend will be paid in US dollars, with an option for shareholders to elect to receive the dividend in pounds sterling, such election to be made not later than 8 May 2017. Payments in pounds sterling will be based on the US\$/GBP exchange rate determined by the Company on 11 May 2017 and announced immediately thereafter.

### The Board of Directors

The Board of Directors and I would like to take this opportunity to make special mention of Resolutions 5 to 13, which relate to the re-election of Directors. In accordance with the UK Corporate Governance Code, all Directors who would like to continue to serve on the Board will be standing for re-election this year. Biographical details of each of the Directors are set out on page 6. Each of the Directors being proposed for re-election is considered to be effective in their role and to be committed to making available the appropriate time for Board Meetings and other duties. I believe each of the re-appointments in Resolutions 5 to 13 is in the best interests of the Company. Since the Company listed in London, we have added only one new director, Christine Coignard. In 2018, we will begin a process of the orderly and staggered replacement of directors.

### Directors' Remuneration Policy and Report

The existing Directors' Remuneration Policy was introduced following approval by shareholders' binding vote with 99.8% votes cast in favour at the 2014 AGM and covered a period of three years (2014 -2016). At the AGMs in 2015, and 2016 the Directors' Remuneration Report received approval in excess of 99%. At this year's AGM shareholders are asked to approve the revised Remuneration Policy that will cover the period of up to three years (2017-2019).

The Board of Directors and its Remuneration Committee has given significant thought to the relevance and applicability of the existing policy and has considered potential changes to it in the context of Polymetal's current strategy, industry and geographic specific market conditions as well as UK governance practices and benchmarking data provided by the remuneration consultants, and has arrived at the following conclusions:

- The general structure of the Directors' Remuneration Policy has successfully aligned the interests of executives with those of shareholders in maximising the long-term value of the Company;
- The drivers of the variable pay (KPIs) are stretching, well aligned with the Company's strategic objectives and cascade throughout the organisation in a way which ensures our employees pay is aligned to Polymetal's performance and to the wider policy principles;
- The policy is consistent with UK market and governance good practice including, but not limited to, in the following aspects:
  - performance-related pay makes up a significant proportion of the remuneration package;
  - there is an appropriate balance between reward for short- and long-term performance;
  - 50% of the of the bonus is deferred into shares over a period of three years and clawback and malus provisions apply to the unvested awards;
  - a vesting period of four years under the Performance Share Plan (PSP), with an additional post-vest holding period of one year, with malus applying during the vesting period and clawback for the post-vest holding period, ensures that management focuses on the long-term interest of the Company and of its stakeholders; and
  - stringent PSP vesting conditions based on relative total shareholder return with an underpin based on absolute shareholder return, therefore fully aligned with shareholder value creation;
- Meaningful weight of sustainability metrics as KPIs, with the CEO's component purposefully focused on health and safety.

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As a result, the Board is proposing no material changes to the Remuneration Policy for 2017-2019, other than the changes in the base salary for Executive Director as discussed below.

The Russian economic environment has been through a period of volatility since the Company's listing in November 2011. As a result, there has been a rapid devaluation of the Russian rouble since 2014 (cumulatively the exchange rate declined by 56% during 2011-2016 while average annual inflation was 8.1% p.a.). This has resulted in a material reduction in the US Dollar value of rouble-denominated packages offered to our senior management team while the industry-wide trend was a flat or increasing base pay in US Dollar terms. The annual base salary of the Group CEO (our only executive director) was US\$303,289 in 2016 (based on the average exchange rate over the period 67 RUB/USD) – significantly lower than in comparable companies, including both UK and Russian-listed sector peers. On an after-tax basis, Polymetal's Group CEO's salary is approximately 20% below the level of the lower quartile of our UK-listed peers.

We strongly believe that the current base salary levels for the senior management pose a significant risk to the Company's ability to retain key personnel and, consequently, to the sustainability of its business model and strong performance due to increased competition for the mining personnel starting with the senior management with a proven operating track record.

Based on the above, the Board and the Remuneration Committee proposes, as a change to policy, to increase the Group CEO's salary (in Roubles) by 25% in 2017, effective from 1 April 2017, and by up to 10 percentage points above the Russian domestic inflation rate in both 2018 and 2019 (currently forecasted at 4-6% p.a.). The Remuneration Committee will carefully review whether these increases remain appropriate in 2018 and 2019 based on the market conditions, exchange rates and the Company's results or other relevant considerations, and suspend them if they are not justified.

This cumulative increase for the three years would result in a base salary of US\$561,000 in 2019 (based on the average exchange rate over the period 60 RUB/USD and the maximum increases per the above); this resulting salary level is closer to the current median of UK listed peers and will represent 2.8% annualised increase compared with his 2012 base salary in US Dollars.

The increase to the Group CEO will also be in line with the similar raises to other members of the senior management team. It is worth noting that, since 2011, average employee compensation increase of the general workforce have been equivalent to 14% per year in Rouble terms, compared to an average base salary increase in Rouble terms of 7% per year for the Group CEO.

The Board and the Remuneration Committee are unanimous in proposing that these changes are in the best interests of shareholders, and believe that they will continue to motivate and retain the senior management team, whose quality is well supported by the historic track record of delivering on rolling out a sustainable business model and generating superior shareholder returns.

Further details of the Directors' Remuneration Policy can be found on pages 86-94 of the Annual Report and Accounts and will cover a period of up to three years (2017-2019). The policy shall apply from the date of approval. A separate advisory vote will be sought on implementation of the existing Remuneration Policy, as described in the Annual Remuneration Report for the year ended 31 December 2016, the full text of which can be found on pages 94-99 of the Annual Report and Accounts.

### **Actions to be taken by shareholders**

All Resolutions for consideration at the Meeting will be decided on a poll rather than a show of hands. This means that each shareholder has one vote for every share held. Although we would like as many shareholders as possible to attend our AGM, I do appreciate that this is not always possible. However, even if you are not able to come to the AGM in person your vote is still important. I would therefore encourage you, regardless of the number of shares you own, to complete, sign and return the accompanying Form of Proxy to our Registrars as soon as possible but, in any event, by no later than 10.30 am (BST) on 12 May 2017. Alternatively, you may also register your proxy appointment(s) and voting instructions electronically. Please refer to pages 8 to 9 of the Notice for further details of how to appoint a proxy or proxies, the deadlines for submission and also how to vote electronically. Registration of a proxy appointment will not prevent you from attending and voting at the Meeting if you so wish. CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Notice.

### **Recommendation**

Your Board considers all of the proposed Resolutions set out in this Notice to be put to the AGM to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings.

### **Questions and answers**

The AGM provides an opportunity for you to ask questions about the business set out in this Notice and to raise other matters about the business of the Company. I will endeavour to ensure that discussions are kept relevant and that as many shareholders as possible have the opportunity to speak.

I do hope that you will be able to attend the Meeting and I look forward to seeing you.

Yours sincerely

**Bobby Godsell**  
Chairman

### **Polymetal International plc**

Registered No. 106196, Jersey

Registered office: 44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands

Place of business: Zinas Kanther and Origenous Corner Street, Zinas Kanther Business Center, 3035, Limassol, Cyprus

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## Notice of Meeting

Notice is hereby given that the AGM of Polymetal International plc (the 'Company') will be held at etc. venues Monument, 8 Eastcheap, London, EC3M 1AE, UK on Tuesday 16 May 2017 at 10.30 am BST.

You will be asked to consider and, if thought fit, to pass the resolutions set out below (the 'Resolutions'), of which Resolutions 1 to 16 (inclusive) will be proposed as ordinary resolutions and Resolutions 17 and 18 will be proposed as special resolutions.

As a member of the Company, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting.

### Ordinary resolutions

#### **Resolution 1 – Report and Accounts**

To receive the Company's Annual Report and Accounts for the year ended 31 December 2016 and the related Directors' report and Auditor's report.

#### **Resolution 2 – Directors' Remuneration Report**

To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 94 to 99 of the Annual Report and Accounts for the financial year ended 31 December 2016.

#### **Resolution 3 – Directors' Remuneration Policy**

To receive and approve the Directors' Remuneration Policy set out on pages 86-94 of the Annual Report and Accounts for the financial year ended 31 December 2016, such policy to take effect from the date of its adoption.

#### **Resolution 4 – Final dividend**

To declare a final dividend of US\$0.18 per ordinary share for the financial year ended 31 December 2016.

#### **Resolution 5 – Re-election of director**

To re-elect Mr Bobby Godsell as a Director of the Company.

#### **Resolution 6 – Re-election of director**

To re-elect Mr Vitaly Nesis as a Director of the Company.

#### **Resolution 7 – Re-election of director**

To re-elect Mr Konstantin Yanakov as a Director of the Company.

#### **Resolution 8 – Re-election of director**

To re-elect Ms Marina Grönberg as a Director of the Company.

#### **Resolution 9 – Re-election of director**

To re-elect Mr Jean-Pascal Duvieusart as a Director of the Company.

#### **Resolution 10 – Re-election of director**

To re-elect Mr Jonathan Best as a Director of the Company.

#### **Resolution 11 – Re-election of director**

To re-elect Mr Russell Skirrow as a Director of the Company.

#### **Resolution 12 – Re-election of director**

To re-elect Mr Leonard Homeniuk as a Director of the Company.

#### **Resolution 13 – Re-election of director**

To re-elect Ms Christine Coignard as a Director of the Company.

#### **Resolution 14 – Appointment of Auditors**

To re-appoint Deloitte LLP as the Company's Auditors until the conclusion of the next AGM of the Company.

#### **Resolution 15 – Auditors' remuneration**

To authorise the Directors to agree the remuneration of the Auditors.

#### **Resolution 16 – Authority to allot shares**

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# Notice of Meeting

continued

To renew the power conferred on the Directors pursuant to Article 12 of the Company's Articles of Association (the 'Articles') to allot Equity Securities (as defined in the Articles), and for that purpose, the Authorised Allotment Shares (as defined in the Articles) shall be an aggregate number of up to 143,370,887 ordinary shares and in addition the Authorised Allotment Shares shall be increased by an aggregate number of up to 143,370,887 ordinary shares, provided that the Directors' power in respect of such latter amount may only be used in connection with a pre-emptive issue (as defined in the Articles). This authority shall, unless previously revoked or varied, expire at the conclusion of the Company's next AGM (or, if earlier, at the close of business on the date which is 15 months after the date of this Resolution, being 16 August 2018), save that the Directors may, before such expiry, make offers or agreements (whether or not conditional) within the terms of this authority which would or might require Equity Securities to be allotted or sold after such expiry, and the Directors may allot or sell Equity Securities pursuant to such offers or agreements as if the authority conferred on them hereby had not expired.

## Special resolutions

### Resolution 17 – Disapplication of pre-emption rights

That, subject to and conditionally upon the passing of Resolution 16, the Directors be empowered pursuant to Article 12.4 of the Company's Articles of Association (the 'Articles') to allot Equity Securities (as defined in the Articles) for cash as if Article 13 of the Articles (Pre-emptive rights) did not apply and for the purposes of paragraph (b) of Article 12.4 of the Articles, the Non Pre-emptive Shares (as defined in the Articles) shall be an aggregate of up to 43,011,266 ordinary shares. This authority shall, unless previously revoked or varied, expire at the conclusion of the Company's next AGM (or, if earlier, at the close of business on the date which is 15 months after the date of this Resolution, being 16 August 2018), save that the Directors may before such expiry make offers or agreements (whether or not conditional) within the terms of this authority which would or might require Equity Securities to be allotted or sold after such expiry and the Directors may allot or sell Equity Securities pursuant to such offers or agreements as if the authority conferred on them hereby had not expired.

### Resolution 18 – Market purchases

That, pursuant to Article 57 of the Companies (Jersey) Law 1991, the Company be and is hereby generally and unconditionally authorised to make market purchases of ordinary shares of the Company, provided that:

- 18.1 the maximum number of ordinary shares hereby authorised to be purchased is 43,011,266 ordinary shares;
- 18.2 the minimum price (exclusive of expenses) which may be paid for each ordinary share is 1 penny;
- 18.3 the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of: (a) an amount equal to 105 per cent of the average of the middle market quotations of an ordinary share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System;
- 18.4 the power hereby granted shall expire at the conclusion of the next AGM of the Company or 18 months from the date of the passing of this Resolution, being 16 November 2018 (whichever is earlier);
- 18.5 a contract to purchase shares under this authority may be made prior to the expiry of this authority and concluded in whole or in part after the expiry of this authority; and
- 18.6 pursuant to Article 58A of the Companies (Jersey) Law 1991, the Company may hold as treasury shares any ordinary shares purchased pursuant to the authority conferred in this Resolution.

29 March 2017

By order of the Board

Tania Tchedaeva  
Company Secretary

#### Polymetal International plc

Registered No. 106196, Jersey

Registered office: 44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands

Place of business: Zinas Kanther and Origenous Corner Street, Zinas Kanther Business Center, 3035, Limassol, Cyprus

## Biographical details of Directors

### **Bobby Godsell**

#### **Chairman of the Board of Directors**

**Appointed 29 September 2011.**

**Previous experience** Chairman of Business Leadership South Africa, President of the South African Chamber of Mines, Chairman of Eskom, Chief Executive of Anglo Gold Ashanti, Director of African Barrick Gold and Solar Capital, Chair of the Board of Optimum Coal Holdings, acquired by Glencore plc. Director of Platmin Limited, Member of the South African National Planning Commission.

**Qualifications** BA from the University of Natal and MA from the University of Cape Town.

**Other roles** Co-Chairman of the South African Millennium Labour Council. Non-executive Director of the South African Industrial Development Corporation.

**Committee** Chairman of the Nomination Committee.

### **Vitaly Nesis**

#### **Group Chief Executive Officer**

**Appointed 29 September 2011.**

**Previous experience** JSC Polymetal's Chief Executive from 2003, Member of its Board, 2004-2012. CEO of Vostsibugol, 2002-2003. Strategic Development Director at the Ulyanovsk Automobile Plant in 2000. Head of the Investment Planning Department at SUAL-Holding, 2001-2002. McKinsey in Moscow, 1999-2000. Merrill Lynch in New York, 1997-1999.

**Qualifications** BA in Economics from Yale University; MA in Mining Economics from St. Petersburg Mining Institute.

**Committee** Member of the Safety and Sustainability Committee.

### **Christine Coignard**

#### **Senior Independent non-executive Director**

**Appointed 01 July 2014.**

**Previous experience** 28 years' experience in the banking industry and advisory services world-wide, gained banking experience at Royal Bank of Canada, Société Générale and Citi; International Consultant for the Apogee Gold Fund based in Boston; project manager for Interros in Russia; Director of investments and financing for Norilsk Nickel; Managing Director at HCF International Advisers.

**Qualifications** Business degree from EMLYON, France, and MBA from the Schulich School of Business, Toronto, Canada.

**Other roles** Managing Director and Founding partner of Coignard & Haas GmbH.

**Committees** Chairman of the Remuneration Committee; member of the Audit and Risk Committee and Nomination Committee.

### **Marina Grönberg**

#### **Non-executive Director**

**Appointed 29 September 2011.**

**Previous experience** Board member of JSC Polymetal, 2008-2012. Various positions in banks and private equity firms.

**Qualifications** Degrees in Economics and Finance, and in Law from Moscow State Law Academy and in Applied Mathematics from Moscow State University.

**Other roles** Board member of Waterstones (UK), Hachette-Atticus, MIG Credit, Marengo Swiss Helicopters, PIK Group and Nexwafe GmbH; Managing Director of Lynwood (Schweiz); member of the Board of A&NN Investments, Lynwood Investments and Vitalbond; Member of the Supervisory Board of Tallano Technologie (France); Chairman of Alpha Trust Investment committee; President of the Charity Fund named after Nadezhda Brezhneva.

**Committee** Member of the Safety and Sustainability Committee.

### **Jean-Pascal Duvieusart**

#### **Non-executive Director**

**Appointed 29 September 2011.**

**Previous experience** Managing Partner for Central Europe and the CIS at McKinsey; joined McKinsey in 1992 and worked in Brussels, New York and Central Europe before becoming Managing Partner in Prague. Advised to banks, insurers and industrial companies in Russia and Central Europe. Former Executive Director of Nomos Bank.

**Qualifications** MBA from the University of Chicago; Master's degree in Commercial Engineering, Catholic University of Louvain, Belgium.

**Other roles** Shareholder of PP F Group N.V. since 2010. Board member of Home Credit B.V., the Anglo-American School of Moscow and Charity foundation Foodbank Rus. Member of the European Regional Business Council of the World Economic Forum Davos.

### **Konstantin Yanakov**

#### **Non-executive Director**

**Appointed 29 September 2011.**

**Previous experience** Member of JSC Polymetal's Board of Directors, 2008-2012 and member of its Audit Committee. Various positions at MDM Bank. CFO of JSC Polymetal until 2004. Member of the Board at Piraeus Bank, Inbank, Greek Organisation of Football Prognostics (OP AP S.A.) and Tiscali S.p.A.

**Qualifications** MBA from the London Business School; PhD in Economics from the Russian State University of Management; degree in Global Economics from the Government of Russia's Finance Academy.

**Other roles** Deputy Director General in charge of Finance at CJSC ICT, Director of ICT Holding Ltd, member of the Board at O1 Properties Limited, member of the Supervisory Board of Rigensis Bank, and member of the Board of the non-state pension fund 'Future'.

### **Russell Skirrow**

#### **Independent non-executive Director**

**Appointed 29 September 2011.**

**Previous experience** Board member of JSC Polymetal, 2008-2012. Total of 36 years' experience working in the global mining

industry and investment banking, including ten years at Merrill Lynch in London as Head of Global Metals, Mining & Steel Research and subsequently as Global Chairman of the Metals/Mining investment banking team, and during the 1980s and early 1990s in Gold Fields Ltd (South Africa) and Western Mining Corporation in Australia, and the USA. Chairman of Dampier Gold Ltd 2010-2013.

**Qualifications** BSc with Honours in Geology from Durham University and a PhD from the Royal School of Mines, Imperial College, London. Member of the Institute of Materials, Minerals & Mining with Chartered Engineer status and Fellow of the Financial Services Institute of Australasia.

**Committees** Member of the Audit and Risk Committee and Safety and Sustainability Committee.

### **Jonathan Best**

#### **Independent non-executive Director**

**Appointed 29 September 2011.**

**Previous experience** Over 35 years' experience in the mining industry. Board member of JSC Polymetal, 2006-2012; Chairman of the Audit Committee of Gulf Industrials; Chairman of Sentula Mining and Bauba Platinum, and member of their nomination and remuneration committees; Chairman of GoldStone Resources; Interim CEO of Trans-Siberian Gold in 2006; CFO and Executive Director of AngloGold Ashanti.

**Qualifications** MBA from the University of the Witwatersrand, Johannesburg, Chartered Management Accountant (ACMA), Associate of the Chartered Institute of Secretaries and Administrators.

**Other roles** Non-executive Director of AngloGold Ashanti Holdings plc and Chairman of its Audit Committee; Non-executive Director and Chairman of the Audit Committee of Metair Investments.

**Committees** Chairman of the Audit and Risk Committee; member of the Remuneration Committee.

### **Leonard Homeniuk**

#### **Independent non-executive Director**

**Appointed 29 September 2011.**

**Previous experience** Board member of JSC Polymetal, 2010-2012. President, CEO and member of the Board of Directors of Centerra Gold, 2004-2008. Chair, President and Chief Executive Officer of Polygon Gold Inc., 2011-2014. Held executive positions with Centerra Gold, Kumtor Gold and Cameco Corporation.

**Qualifications** MSc from the University of Manitoba. Member of the Ontario Society of Professional Engineers, the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association of Canada. Honorary Professor at the Kyrgyz Mining Institute.

**Other roles** Director of Trade Ideas LLC.

**Committees** Chairman of the Safety and Sustainability Committee; member of the Remuneration Committee and Nomination Committee.

# Explanatory notes

## Explanatory notes

Resolutions 1 to 16 (inclusive) are proposed as ordinary resolutions, which means that for each of those Resolutions to be passed, more than half the votes cast in relation to such Resolution must be cast in favour of it. Resolutions 17 and 18 are proposed as special resolutions, which means that (in accordance with the Companies (Jersey) Law 1991 and the Company's Articles of Association) for each of those Resolutions to be passed, at least three-quarters of the votes cast in relation to such Resolution must be cast in favour of it.

## Ordinary resolutions

### Resolution 1 – Annual Report and Accounts

The Directors are required to present to the Meeting the audited Accounts and the Directors' and auditor's reports for the financial year ended 31 December 2016.

### Resolution 2 – Directors' Remuneration Report

Consistent with the requirements applicable to UK listed companies incorporated in the UK, the Company is putting before shareholders in general meeting a Resolution to approve the Directors' Remuneration Report. The Remuneration Report for the financial year ended 31 December 2016 is set out on pages 94 to 99 of the Annual Report and Accounts and includes details of the Directors' remuneration for the year ended 31 December 2016. The Company's auditors, Deloitte LLP, have audited those parts of the Directors' Remuneration Report capable of being audited (marked as audited information).

The vote on the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the Resolution is not passed.

### Resolution 3 – Directors' Remuneration Policy

Shareholders are asked to approve the Directors' Remuneration Policy which is set out in full on pages 86-94 of the Annual Report and Accounts. Once the Directors' Remuneration Policy is approved, the Company will not make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the policy or has been approved by a resolution of the members of the Company. If resolution 3 is approved, the Directors' Remuneration Policy will come into effect from the date of this Annual General Meeting and all payments by the Company to Directors and any former directors (in their capacity as directors) will be made in accordance with the policy unless a payment has separately been approved by a shareholder resolution. Additionally, if the Directors' Remuneration Policy is approved and remains unchanged, it will be valid for up to three financial years without new shareholder approval being required. If the Company wished to change the Directors' Remuneration Policy, it would put the revised policy to a vote before it would implement that new policy.

### Resolution 4 – Final dividend

If approved, the final dividend for the year ended 31 December 2016 will be paid on or around 26 May 2017 to shareholders on the register at the close of business on 5 May 2017.

### Resolutions 5 to 13 – Re-election of Directors

Under the UK Corporate Governance Code, there is a recommendation that all directors stand for annual re-election. Accordingly, all the Directors who would like to continue to serve on the Board offer themselves for re-election, proposed through separate Resolutions 5 to 13.

Biographical details of each of the Directors standing for re-election are set out on page 6.

### Resolutions 14 and 15 – Re-appointment and remuneration of Auditors

The Company is required to appoint auditors at each general meeting at which accounts are presented to shareholders. Resolution 14 proposes the appointment of Deloitte LLP as the Company's auditors until the conclusion of the next AGM. It is normal practice for a company's directors to be authorised to determine the level of the auditors' remuneration for the ensuing year. Resolution 15 proposes to give such authority to the Directors.

### Resolution 16 – Authority to allot shares

The Company's Directors may only allot Equity Securities (as defined in the Articles) if authorised to do so by shareholders. The existing authority conferred on the Directors to allot Equity Securities expires on the date of the AGM. This Resolution will give authority for the Directors to allot Equity Securities (including any held in treasury) in accordance with the Article 12 of the Articles:

- (a) up to a maximum aggregate number of 143,370,887 ordinary shares (representing one third of the total issued ordinary shares (excluding treasury shares) as of 28 March 2017, being the last practicable date before publication of this Notice) subject to the authority granted under Resolution 17; and
- (b) the same amount again, but only in respect of a pre-emptive issue to existing shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems).

This authority shall expire at the conclusion of the Company's next AGM (or, if earlier, at the close of business on the date which is 15 months after the date of this Resolution being 16 August 2018). The Directors have no present intention of exercising this authority. However, it is considered prudent to maintain the flexibility that this authority provides. The Company's Directors intend to renew this authority annually. As at 28 March 2017, being the latest practicable date before the publication of this Notice, the Company does not hold any shares in treasury.

## Special resolutions

### Resolution 17 – Disapplication of pre-emption rights

Pursuant to Article 13 of the Articles, if the Directors wish to allot Equity Securities (as defined in the Articles) for cash or to sell or transfer shares out of treasury for cash, they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue or transfer of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Articles unless the shareholders have first waived their pre-emption rights. This Resolution will therefore empower the Directors to allot Equity Securities, pursuant to the authority granted under Resolution 16 above, for cash, and to sell or transfer shares out of treasury for cash, without application of the pre-emption rights contained in Article 13 of the Articles. Other than in connection with a rights, scrip dividend or other similar issue, the authority contained in this Resolution will be limited to an aggregate number of 43,011,266 ordinary shares which represents approximately 10 per cent of the issued ordinary shares of the Company (excluding treasury shares) as at 28 March 2017 (the latest practicable date prior to the publication of this Notice). The Board confirms that it will only allot shares representing more than 5 per cent of the issued ordinary share capital of the Company (excluding treasury shares), for cash pursuant to this authority, where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles ('Pre-Emption Principles')) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. This authority will expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on the date which is 15 months after the date of this Resolution, being 16 August 2018. The Directors have no present intention of exercising this authority and, in accordance with the Pre-Emption Principles, the Directors further confirm that they have no present intention of issuing more than 7.5 per cent of the total issued shares on a non pre-emptive basis in any rolling three-year period.

### Resolution 18 – Authority to purchase shares

This Resolution renews the existing authority granted to the Directors, which expires on the date of the AGM. In certain circumstances, it may be advantageous for the Company to purchase its own ordinary shares and this Resolution seeks authority to enable the Company to make market purchases of up to 43,011,266 of its own ordinary shares (being 10 per cent of the issued ordinary shares (excluding treasury shares) as at 28 March 2017, the latest practicable date prior to the publication of this Notice). The maximum price (exclusive of expenses) which may be made for each share shall be an amount equal to the higher of (i) 105 per cent of the average of the middle market quotations for an ordinary share in the Company derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day on which the share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current bid for an ordinary share derived from the London Stock Exchange Trading System. The minimum price (exclusive of expenses) per share shall be 1 penny. The authority conferred by this Resolution will expire at the conclusion of the Company's next AGM or 18 months from the date of the passing of this Resolution, being 16 November 2018 (whichever is earlier). The Directors do not currently have any intention of exercising the authority granted by this resolution.

Treasury shares may be subsequently cancelled, sold for cash or used to satisfy options issued to employees for the purpose of employee share schemes. The authority to be sought by this Resolution is intended to apply equally to shares to be held by the Company as treasury shares.

No dividends will be paid on shares which are held as treasury shares and no voting rights will be attached to them.

# Explanatory notes

continued

As at 28 March 2017, there were options outstanding over 6,845,803 ordinary shares in the Company and 255,839 deferred shares under the Company's Deferred Share Plan, representing approximately 1.65 per cent of the Company's issued ordinary shares at that date. If the authority to purchase the Company's ordinary shares were to be exercised in full, these options and deferred shares would represent approximately 1.83 per cent of the Company's issued ordinary shares.

## Recommendation

The Directors consider that each of these Resolutions is in the best interests of the Company and the shareholders as a whole and accordingly, unanimously recommend that all shareholders vote in favour of all Resolutions, as the Directors intend to do in respect of their own beneficial holdings.

## Notes

### 1. Entitlement to attend and vote

- 1.1 All Resolutions at the AGM will be decided by a poll. The Company believes that this is a more transparent and equitable method of voting, as shareholder votes are counted according to the number of shares held, ensuring an exact and definitive result.
- 1.2 The Company, pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those persons entered on the register of members of the Company as at 10.30 am (BST) on 12 May 2017 (the 'Specified Time') (or, if the Meeting is adjourned, 48 hours prior to the time fixed for the adjourned Meeting) shall be entitled to attend or vote at the AGM in respect of the number of Shares registered in their name at that time. Subsequent changes to entries on the register of members after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

### 2. Appointment of proxies

- 2.1 Shareholders entitled to attend and vote at the AGM convened by this Notice are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote in their place at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice and instructions for its use are shown on the Form. The appointment of a proxy does not preclude members from attending the Meeting and voting if they so wish, however, if they do attend the AGM any proxy appointment will be treated as revoked. A shareholder may only appoint a proxy or proxies by:
  - (a) (completing and returning the Form of Proxy accompanying this Notice in accordance with the instructions contained therein; or
  - (b) using the CREST system (including CREST Personal Members), having an appropriate CREST message transmitted (see Note 3 on the next page).
- 2.2 The appointment of a proxy, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should be deposited with the Company's Registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgewater Road, Bristol BS99 6ZY, UK or received via [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) or lodged via the CREST proxy service (in each case) not later than 10.30 am (BST) on 12 May 2017, or 48 hours before the time appointed for holding any adjourned meeting or (in the case of a poll not taken on the same day as the Meeting or adjourned meeting) for the taking of the poll at which it is to be used. If more than one proxy appointment is returned in respect of the same holding of shares, either by paper or by electronic communication (save as described in Note 2.1 above), that proxy received last by the Registrar before the latest time for the receipt of proxies will take precedence.
- 2.3 To appoint more than one proxy, you may either photocopy the Form of Proxy accompanying this document or contact the Company's Registrars, Computershare Investor Services (Jersey) Limited (contact details for which are set out under the heading 'Enquiries' below), to request additional personalised forms.
- 2.4 Further instructions for appointing a proxy or proxies are contained in the explanatory notes to the Form of Proxy accompanying this Notice.

### 3. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies or to give or amend an instruction to a previously appointed proxy through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual or as set out on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by no later than 10.30 am (BST) on 12 May 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. No such message received through the CREST network after this time will be accepted and any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider to procure that his CREST sponsor or voting service provider to take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitation of the CREST system and timings and to the relevant website at [www.euroclear.com](http://www.euroclear.com).

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

### 4. Corporate representatives

Under the Companies (Jersey) Law 1991, a body corporate may only appoint one corporate representative to attend and vote on its behalf. A share owner which is a body corporate that wishes to allocate its votes to more than one person should use the proxy arrangements.

### 5. Nominated persons

Any person to whom this Notice is sent who is not a shareholder but is a person nominated by a shareholder under Article 73 of the Company's Articles of Association to enjoy information rights (a 'nominated person'), may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in Note 2 above does not apply to nominated persons. The right described in these paragraphs can only be exercised by shareholders of the Company.

### 6. Voting rights

As at 28 March 2017, being the last practicable date prior to the printing of this Notice, the Company's issued shares consisted of 430,112,661 ordinary shares; with each ordinary share carrying one vote. As at that date the Company did not hold any shares in treasury.

# Explanatory notes

continued

## 7. Inspection of documents

The following documents will be available for inspection during normal business hours at the place of business of the Company (Zinas Kanther and Origenous Corner Street, Zinas Kanther Business Center, 3035, Limassol, Cyprus), at its registered office (44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands) from the date of this Notice until the time of the AGM, and at etc Venues, Monument, 8 Eastcheap, London, EC3M 1AE, UK, from 15 minutes before the AGM starts until it ends:

- a copy of the Executive Director's service contract;
- copies of letters of appointment of the Non-Executive Directors; and
- letters of indemnity for each of the Directors.

## 8. Shareholders' statement

Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under the Articles, the Company may be required to publish on a website a statement setting out: (i) any matter relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting of the Company at which annual accounts and reports were laid.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with such publication requirements. Where the Company is required to place a statement on a website under the Articles, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under the Articles to publish on a website.

## 9. Addresses

Addresses, including electronic addresses provided in this Notice, are provided solely for the purposes so specified. You may not use any electronic address provided in this Notice to communicate with the Company for any purpose other than those expressly stated herein.

## 10. Website

A copy of this Notice, the total number of shares in issue and the total voting rights in the Company can be found at [www.polymetalinternational.com](http://www.polymetalinternational.com).

## Time of the meeting

The Meeting will start promptly at 10.30 am (BST) on Tuesday 16 May 2017 and will take place at etc. venues Monument, 8 Eastcheap, London, EC3M 1AE, UK.

## Attending the meeting

If you are attending the Meeting, please bring your attendance card with you. It authenticates your right to attend, speak and vote at the Meeting and will speed your admission. You may also find it useful to bring this Notice and the 2016 Annual Report and Accounts in order that you may refer to them at the Meeting. All joint shareholders may attend and speak at the Meeting. However, only the first shareholder listed on the Register of Members as the joint holder of any shares is entitled to vote in respect of those shares.

## Questions

All shareholders and their proxies have the right to ask questions at the Meeting. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if:

- (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information;
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. The Chairman may also nominate a Company representative to answer a specific question after the Meeting.

## Not attending the meeting

Whoever you appoint as a proxy can vote, speak or abstain from voting as he or she decides on any other business which may validly come before the Meeting. This includes proxies appointed using the CREST Service. Details of how to complete the appointment of a proxy either electronically or on paper are given in the notes to this Notice and in the accompanying Form of Proxy.

## Enquiries

Computershare Investor Services (Jersey) Limited maintains the Company's share register. If you have any enquiries about the Meeting or about your Polymetal International plc shareholding, you may contact Computershare:

by telephone to the Shareholder helpline:

(from the UK) – **0870 707 4040\***

(from outside the UK) – **+44 870 707 4040**

or in writing to:

Computershare Investor Services Ltd  
The Pavilions, Bridgewater Road  
Bristol  
BS99 6ZY

\*Calls to this number are charged at 8 pence per minute from a BT landline. Other telephone providers' costs may vary. Lines are open from 8.30 am to 5.30 pm (BST), Monday to Friday.

E-mail enquiries: [info@computershare.co.je](mailto:info@computershare.co.je)

You may also contact Polymetal International plc at the following corporate addresses:

Zinas Kanther and Origenous  
Corner Street  
Zinas Kanther Business Center  
3035, Limassol  
Cyprus  
Telephone: **+357 25 558080**

44 Esplanade  
St Helier  
Jersey  
JE4 9WG  
Channel Islands  
Telephone: **+44 1534 504000**

or at the London representative office at:

Polymetal London Limited  
1 Berkeley Street  
London W1J 8DJ  
Telephone: **+44 20 7016 9503**

## Data Protection Statement

Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data are to be processed. The Company and any third party to which it discloses the data (including the Company's Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.