

Polymetal International plc

Re-domiciliation Q&As

Re-domiciliation and listing

1. Why does Polymetal International plc (the Company) wish to re-domicile away from Jersey, the jurisdiction it is currently domiciled in?

The jurisdiction of Jersey, where the Company is incorporated and currently domiciled, is deemed to be “unfriendly” for the purposes of the counter-sanctions enacted by the Russian Federation.

Absent special regulatory approval from the Russian Federation, companies domiciled in unfriendly jurisdictions are, and continue to be, subject to restrictions on their corporate actions. In particular, the Company is restricted from, amongst other things, receiving loans or dividends from its Russian subsidiaries or entering into transactions resulting, directly or indirectly, in the sale of shares in its Russian subsidiaries. All of which restrict the ability of the Company to restore shareholder value.

The Company is evaluating a re-domiciliation to a jurisdiction deemed to be “friendly” by the Russian Federation. Such a move could unblock the ability of the Company to carry out customary corporate actions (including those set out above). Based on its initial analysis, the Company are of the view that a re-domiciliation to the Astana International Financial Centre (AIFC), a financial hub in Astana, Kazakhstan, is preferable over other jurisdictions. The Company have come to this conclusion having considered the Group’s significant operations and presence in the region, the AIFC legal system, the tax regime and the ability of the Company to execute such a re-domiciliation.

The evaluation of the re-domiciliation process is ongoing and will, in any event, be subject to a number of conditions, including a shareholder vote. No decision has been made in relation to the various options available to the Company. There can therefore be no certainty that the Company will proceed with, or ultimately complete, a re-domiciliation nor any certainty as to which jurisdiction would ultimately be selected were a re-domiciliation to proceed.

The Company confirms that any actions taken will be compliant with all applicable international sanctions, counter-sanctions and regulatory requirements.

2. Why may the Company be unable to maintain its Premium listing on the London Stock Exchange (LSE) if a re-domiciliation occurs?

Should the Company complete a re-domiciliation to a “friendly” jurisdiction (such as the AIFC), the Company’s ordinary shares will be deemed foreign shares for the purpose of CREST (the relevant system for the paperless settlement of share transfers and the holding of shares in uncertificated form, which is administered by Euroclear UK & International Limited) and as such, will cease to be capable of being traded and settled direct within the CREST system. This is a requirement to maintain an LSE listing.

In order for the Company’s ordinary shares to continue to trade on the LSE, CREST members will need to hold their interests in ordinary shares in CREST, pursuant to depository interest arrangements. In this case, the ordinary shares will not themselves be admitted to CREST, rather a depository service provider, will issue depository interests in respect of the underlying ordinary shares. The depository interests will be independent securities constituted under English law which may be held and transferred through the CREST system. Under this arrangement, the rights and interests of shareholders (including voting and dividend rights) would not be affected.

Whilst the Company is working diligently to establish depository interest arrangements with a CREST-enabled registrar, it is likely that the Company ultimately will not be able to identify and engage a service provider which is prepared to provide such services for an issuer incorporated in the AIFC. To date, the Company has not been able to secure the services of a depository interest provider. The number of CREST-enabled registrars, which are prepared to offer depository interest services, in particular to International Finance Centre, such as the AIFC, are limited. In the event a willing service provider is not found, the Company will no longer be eligible to meet the requirements of its existing LSE listing.

The Company currently remains listed on the Premium segment of the LSE. The Company confirms that it will not take any steps to cancel its existing listings until the applicable regulatory requirements are met, including a shareholder vote, and shareholders will be provided with adequate information at an appropriate time.

3. If the re-domiciliation proceeds and the Company is unable to maintain its Premium listing on the LSE, why is the Company ineligible for the Standard segment of the LSE?

Please see response to Q2.

The requirements to establish depository interest arrangements for foreign shares are imposed on both the Premium segment and the Standard segment of the LSE in the same way.

The Company currently remains listed on the Premium segment of the LSE. The Company confirms that it will not take any steps to cancel its existing listings until the applicable regulatory requirements are met, including a shareholder vote, and shareholders will be provided with adequate information at an appropriate time.

The Company is also evaluating alternative options if depository interest arrangements are not found. One option to enable the Company to retain trading and liquidity on the LSE is the establishment of a Global Depository Receipt (GDR) program. GDRs are eligible for listing on the Standard segment of the LSE. Please see further information within Q8.

4. How will shareholder rights, trading accessibility and the ability to receive dividends be affected by any re-domiciliation to the AIFC and should the AIX become the primary listing of the Company?

Following any re-domiciliation of the Company to the AIFC, the rights and interests of shareholders (including voting and dividend rights) should not be materially affected. Dividend distribution may still be restricted for those shareholders holding ordinary shares through an account with the National Settlement Depository (NSD) (see Q7) The Company aims to ensure trading accessibility for all shareholders.

Whilst the Company cannot commit to the declaration of any dividends at this time, one of the targets of executing the re-domiciliation is to remove some of the current restrictions on the ability of the Company to make dividend payments.

5. Does delisting from the LSE mean I will be forced to liquidate my holdings?

The Company currently remains listed on the Premium segment of the LSE. The Company confirms that it will not take any steps to cancel its existing listings until the applicable regulatory requirements are met, including a shareholder vote, and shareholders will be provided with adequate information at an appropriate time.

The Company is working diligently to establish alternative trading arrangements, should it proceed with the re-domiciliation.

Shareholders may wish to seek independent financial advice and/or contact their broker with respect to their individual circumstances.

6. Will the Company be able to restore dividend payments to all shareholders after the re-domiciliation?

Please see response to Q4.

A number of the Company's shareholders hold their interests through the NSD. The EU-imposed sanctions on the NSD have resulted in these shareholders being unable to receive dividends and/or take part in any corporate actions of the Company. Whilst the re-domiciliation itself will not restore the rights of these shareholders, the Company's intention is that the re-domiciliation will enable it to take additional steps to restore the rights of such shareholders, including the ability for the Company to pay a dividend to all shareholders.

7. How does the re-domiciliation affect shareholders holding ordinary shares through an account with the National Settlement Depository (MOEX)?

The Company continues to engage with the relevant parties to understand the impact on shareholders holding ordinary shares through the NSD, if any, should the re-domiciliation proceed. The intention of the Company is to ensure that there will be no negative implications to the rights of its shareholders, either those holding shares through the NSD or otherwise.

GDR and alternative exchange considerations

8. What is a GDR, and will it provide the same rights to shareholders as the Company's ordinary shares which are currently listed on the LSE?

It is a priority of the Company and its intention to seek a route to enable continued trading of its ordinary shares on the LSE following the re-domiciliation, either through the establishment of depositary interests or a GDR program.

A GDR is a financial instrument, which can be traded on a stock exchange, such as the LSE, which represents ownership of the underlying shares in a company. It is issued by a depositary bank which becomes the holder of record of the underlying shares. As distinct to depositary interests, it is the GDR itself which is listed on the Official List of the FCA as opposed to the underlying shares. In the UK, GDRs are normally established to enable holders to have equivalent exposure (voting and economic) to such underlying shares where such underlying shares would otherwise not qualify for trading in London.

Any GDR program which is established by the Company will seek to ensure that all rights and interests of shareholders (including voting and dividend rights) will not be materially affected.

There can be no certainty that the Company will proceed with, or ultimately establish, a GDR program.

Should the Company proceed with the establishment of a GDR program all steps will be subject to applicable regulatory requirements and shareholders will receive sufficient information on how to convert their holding into GDRs at the appropriate time.

9. What are the obstacles that could stop the Company from establishing a GDR program?

The establishment of a GDR program is subject to applicable regulatory requirements, sanctions compliance and the willingness of a depositary bank to issue the GDRs. The Company is currently working diligently to consider the feasibility of this option.

There can therefore be no certainty that the Company will proceed with, or ultimately establish, a GDR program.

Should the Company proceed with the establishment of a GDR program all steps will be subject to applicable regulatory requirements and shareholders will receive sufficient information at the appropriate time.

10. How would you exchange LSE-traded ordinary shares for GDRs, if this option is approved?

Should the Company proceed with the establishment of a GDR program, all steps will be subject to applicable regulatory requirements and shareholders will receive sufficient information at the appropriate time.

11. Which alternative exchange(s) will the Company consider should the Company not be able to proceed with listing GDRs on the LSE?

It is a priority of the Company and its intention to seek a route to enable continued trading of its ordinary shares on the LSE following the re-domiciliation, either through the establishment of depositary interests or a GDR program.

In the event that this is not possible, the Company will seek alternative trading arrangements on alternative recognised exchanges, including establishing arrangements to provide increased liquidity.

Management will initiate a shareholder consultation to evaluate the future trading options and any such decision will be subject to applicable regulatory requirements.

12. How do I transfer my ordinary shares to an alternative exchange or the AIX if either of these options is approved?

The evaluation of the re-domiciliation process (as well as the consideration of alternative trading venues) is ongoing and will, in any event, be subject to a number of conditions, including a shareholder vote. No decision has been made in relation to the various options available to the Company. There can therefore be no certainty that the Company will proceed with, or ultimately complete, a re-domiciliation nor any certainty as to which jurisdiction would ultimately be selected were a re-domiciliation to proceed.

Should the Company proceed with the re-domiciliation, shareholders will be provided with sufficient information on matters relating to the re-domiciliation, including how existing holdings may be able to be transferred to an alternative exchange.

The Company currently remains listed on the Premium segment of the LSE. The Company confirms that it will not take any steps to cancel its existing listings until the applicable regulatory requirements are met, including a shareholder vote, and shareholders will be provided with adequate information at an appropriate time.

13. What brokers can provide me with access to AIX?

Please see response to Q19.

14. I hold ordinary shares in the Company within an ISA/ SIPP account. Will I lose my tax benefits if the re-domiciliation is approved and I receive GDRs instead, or the listing moves to an alternative exchange/AIX?

Please see response to Q5 & Q11.

Shareholders may wish to seek independent financial and tax advice with respect to their individual circumstances.

15. What currency options are available for dividends? Will dividends still be payable into ISAs and SIPPS in GBP?

Please see response to Q4, Q5 and Q11.

16. What would happen to my ADRs (AUCOY) if there is a re-domiciliation and the AIX becomes the primary listing of the Company? Does it depend on whether the Company proceeds with a GDR program on the LSE or an alternative listing?

The Company continues to engage with the relevant parties to understand the impact on the ADRs, if any, should the re-domiciliation proceed. It is the Company's intention that there will be as little change to the rights of shareholders and ADR holders as possible.

Shareholders will be provided with adequate information at an appropriate time.

17. What would happen to my F-shares (POYYF) if there is a re-domiciliation and the AIX becomes the primary listing of the Company? Does it depend on whether the Company proceeds with a GDR program on the LSE or an alternative listing?

There is expected to be no impact on the existing F-shares. Holders of the POYYF security should be aware that the process of re-domiciliation should not alter the trading status and absence of liquidity in this security.

Holders of POYYF shares should be aware that this ADR program is not sponsored by the issuer and therefore the Company does not have an ability to influence trading or other actions with this security.

18. What would the mechanics of transferring POYYF to an alternative exchange/AIX look like?

Please see response to Q17.

19. Can the Company recommend a broker which provides access to AIX?

There is a list of brokers on AIX website <https://aix.kz/clearing-settlement/aix-csd-participants/brokers-1/>. We encourage shareholders to do their own research to choose a broker with regards to their individual needs and circumstances. The Company is familiar with Freedom Finance as a platform for retail investors.

20. Can I convert my ordinary shares traded on the LSE into paper certificates?

Whilst neither re-domiciliation nor listing approach post re-domiciliation have been proposed or approved yet, investors should be aware that the AIFC does not support a system of share registration which allows for the co-existence of certificated and uncertificated shares. Consequently, for a publicly listed AIFC company, all shares are required to be in uncertificated form. However, the Company is currently working with all relevant parties, including AIX Registrar, to assess the impact to shareholders who hold their interests in certificated form and facilitate the transition.

Jurisdictional split considerations

21. How will the potential jurisdictional split affect my ordinary shares?

Any re-domiciliation could unblock the ability of the Company to execute further corporate actions, such as a jurisdictional split of the Group's assets. It is the Company's intention, following any re-domiciliation, to execute a jurisdictional split on terms which will enable all shareholders to retain their existing interests in the respective jurisdictional asset groups.

The Company's intention to execute a jurisdictional split, including an indicative timetable, was recently presented at the 2023 Analyst and Investor Day. A recording of the website can be found [here](#).

There can be no certainty that the Company will proceed with, or ultimately be able to complete, a jurisdictional split.

The Company confirms that any jurisdictional split will be subject to applicable regulatory requirements, and shareholders will be provided with adequate information at an appropriate time.

The Company confirms that any actions taken will be compliant with all applicable international sanctions, counter-sanctions and regulatory requirements.

22. How many ordinary shares of each new company will I receive?

Please see response to Q21.

23. Will the Company maintain the same listings for new companies after the split?

Please see response to Q21.

24. In the event that the Company proceeds with the re-domiciliation, will there be any specific impact for holders of certificated (paper) shares?

Whilst neither re-domiciliation nor listing approach post re-domiciliation have been proposed or approved yet, investors should be aware that the AIFC does not support a system of share registration which allows for the co-existence of certificated and uncertificated shares. Consequently, for a publicly listed AIFC company all shares are required to be in uncertificated form. However, the Company is currently working with all relevant parties, including AIX Registrar, to assess the impact to shareholders who hold their interests in certificated form and facilitate the transition.

All shareholders will be provided with adequate information at an appropriate time, including the ability to vote on any re-domiciliation.