Code of Ethical Conduct

Revision 6 - October 2019

• Do no Harm
• Make a Difference
• Do it right
• Take Control
• Do it Better

Let’s do it right
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This Code of Ethical Conduct applies to the whole and all parts of Petra Diamonds Limited, as well as to its Industry Partners, as outlined on p. 5-6 of the document. When reference is made to “Petra” or “Petra Diamonds” it is to be taken to include the whole and/ or any business entity forming part of Petra Diamonds Limited, as well as its Industry Partners.

Reference is made to several Public as well as Petra Diamonds Limited documents such as Acts, Policies and Procedures throughout this document. The intention is to have these documents available on on the Petra Diamonds Intranet and, where applicable, on www.petradiamonds.com. Should there be any difficulty in obtaining a copy of any such document, kindly contact the custodian of this Code, whose contact details are provided on the last page.
A Word from our Chief Executive Officer: Richard Duffy

As a relative newcomer to the world of diamonds, I was again struck by the rare and exquisite nature of the product that we, as Petra Diamonds, produce. The spectacular qualities of a diamond, including being the hardest natural occurring mineral, the unique way in which it reflects light, the wonder of how it is produced leading to an increasing rarity, all aid to explain why it is so treasured and highly regarded and is used to express so much emotion and devotion. It is the undisputed queen of all gemstones. At the same time, without a keen understanding of its qualities, and why it is regarded as so special, it becomes just another piece of carbon.

It is very much in the hands of us working in the diamond industry to uphold the reputation and value of diamonds. In a world where reports of fraud, corruption, misappropriation of public and private property and funds, and many other blatantly unethical acts, have become so commonplace that we do not even lift an eyebrow anymore when hearing about them, we need to draw on diamonds’ characteristics of clarity and purity in our day to day work. Not doing so will cause immeasurable harm to our industry and product.

Very often ethical codes become a rod to discipline employees and other stakeholders with, using them - after the fact - to punish transgressors. As Petra, we want to do it differently.

In line with our value of “Doing it Right”, we want ethically correct behaviour to simply be the way that we do things here. It is not only part of our culture, but is a central building block.

This is why each and every one of us must own and identify with this Code of Ethical Conduct. We comply because we really believe in doing the right things and not because we fear sanction under the Code.

If we’re able to achieve this, we can be sure that Petra will remain the brilliant, tough and precious Company that all of you have made it over the past two decades - a leading light in the industry. Let all us live up to the high standards that diamonds have set us!
Petra Diamonds Code of Ethical Conduct

What we stand for -
Our Vision, Mission and Values

Our Vision:  
*Building a World-class Diamond Group*

Our Mission:  
*Responsibly developing our assets, we unlock value for all stakeholders*

Our Values (“Let’s…”)

- **Do no Harm**
  Petra considers the health and safety of its employees, and cares for the environment, as its top priorities. Management’s focus on a zero harm environment requires a zero tolerance approach for any action that results in potential injury to employees.

- **Make a Difference**
  Petra strives to makes a real contribution to the “triple bottom line” (people, profit and planet). This includes enhancing its local environment to the benefit of employees and communities. The Company achieves this through various initiatives which aim to stimulate local socio-economic development, as well as by upholding high standards of environmental stewardship.

- **Do it Right**
  Petra places a high priority on ethical conduct. The Company believes in the responsible mining and sale of its diamonds, and will only operate in countries which are members of the Kimberley Process. As a legitimate diamond miner operating in South Africa, Tanzania and Botswana, 100% of Petra’s production is fully traceable and conflict free.

- **Take Control**
  Petra believes that employees who are empowered and accountable for their actions work to the best of their ability, and the Company has fostered a culture whereby innovation and creativity in the workplace is encouraged and rewarded. We believe that no-one knows our operations better than our own employees and the Company looks to leverage its internal skills wherever possible.

- **Do it Better**
  Petra strives to generate efficiencies at its operations and applies a ‘back-to-basics’ approach in order to review and assess areas for improvement at all times; key focus areas are power and water usage, security and effective use of labour. We promote a culture of continuous improvement, in which change is embraced and seen as an opportunity. Using past experience to improve future performance is integral to the Company’s success.
SECTI ON A: OVERVIEW OF ETHICAL CONDUCT

What is Ethics?

“Ethics” is all about “doing the right thing”. It can be defined as the basic concepts and principles of morally correct human conduct. It includes the study of universal values such as the essential equality of all men and women, human or natural rights, obedience to the law of land, concern for health and safety and also for the natural environment. A simplified definition of ethics is therefore that it is the critical, structured examination of how we should behave — in particular, how we should constrain pursuing of self-interest when our actions affect others or the natural environment. Apart from the universal values mentioned above that are often contained in laws, treaties and declarations, one’s own value system also has a determining influence on what you regard as ethical behaviour.

Following from the above, “Business Ethics” can be defined as the critical, structured examination of how people and institutions should behave in the world of commerce. In particular, it involves examining appropriate constraints on the pursuit of self-interest or profits, when the actions of individuals or firms affect others. This includes, but is not limited to, the study of proper business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility and fiduciary responsibilities. Business ethics are often guided by law. Generally speaking, the value system of a business and its ethical code need to be complementary and reflect the same principles.

What we stand for when it comes to Ethical Conduct

Petra Diamonds, as a responsible corporate citizen, wishes to protect, enhance and invest in the well-being of the economy, society and the natural environment. Responsible corporate citizenship implies an ethical relationship of responsibility between the company and the society in which it operates.

Petra Diamonds and its subsidiary companies are therefore committed to a policy of ethical conduct, which includes fair dealing and integrity when conducting business.

Ethics and Corporate Governance

There is a very strong link between ethical conduct and corporate governance, which is the framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in a company’s relationship with all its stakeholders (financiers, customers, management, employees, government and the community). Petra Diamonds is committed to maintaining the highest standards of corporate governance and therefore adheres to the provisions of the relevant corporate governance codes in the jurisdictions in which it operates.

Who does this document apply to?

The Code applies to everyone within Petra Diamonds, and we expect all we do business with to also adhere to this Code. Within Petra Diamonds this would include the Board of Directors, all full or part time and contract employees, agency or temporary employees at all operations or business units of the Company, including any affiliated companies and controlled and uncontrolled joint ventures. All these employees are required to maintain the highest ethical standards in ensuring that the Company’s business practices are conducted in a manner which, in all circumstances, is above reproach.

Externally we expect all third party contractors, agents, advisors, consultants or other business associates (“Industry Partners”) to follow the principles of this Code when they work with, or on behalf of Petra Diamonds.
What if I am uncertain about how to act?
Where you are unclear on any aspect of the Code or you are unsure of the right action to take in a situation then always seek help. If you are in doubt about the application of this Code or any element of it, you should discuss the matter with your supervisor or the Head of Security. Should further guidance be required, the issue needs to be referred to Petra Diamonds’ Group Secretary, whose contact details are listed on the last page of this document.

What penalties are there for breaching the Code?
Breaches of this Code are seen in a serious light, and failure to comply may lead to disciplinary action up to and including dismissal or, in the case of Contract Staff or Industry Partners, cancellation of contract.

Monitoring and audit
As mentioned in the previous sections, it is the duty of every employee - and in particular those in supervisory or managerial positions, to monitor compliance to the Code and ensure that breaches are reported and addressed.

Ultimate accountability for upholding the Code lies with the Board of Directors of Petra Diamonds. The Board has appointed the Petra Diamonds Social, Ethics and Diversity Committee as custodians of the Code, with the Head of Legal having been delegated as the Group’s Compliance Officer.

Do not compromise yourself or the Company
There are a number of actions, some illegal and some not, which can compromise an individual or the company he/she works for. “Compromise” in this sense means to “expose yourself to disrepute”, “to place yourself or the Company in a position of harm to your or the Company’s reputation and cast doubt on your or the Company’s integrity.”

All actions that would be regarded as unethical are not necessarily covered by laws, and some actions that may be illegal may not be unethical by nature. Since ethics is about “doing the right thing”, it is expected of all employees and industry partners to act ethically, even if there is no legislation governing or forbidding a certain action.

It is important to note that, in these and many other offences that are legally and/or ethically unacceptable, it is the principle that is important, and not necessarily the value of the goods or transaction. As example, the theft of a small office item should not be considered less of an offence than major embezzlement of money, since it remains the misappropriation of Company assets.
SECTION B: THE FIVE PRINCIPLES

PRINCIPLE 1: KEEPING IT LEGAL - WE ABIDE BY ALL LAWS

Legislation aims to a large extent to guide citizens towards ethical behaviour. Petra Diamonds therefore complies with all national and international laws in the jurisdictions where it conducts any business. In cases where there is apparent conflict between laws, or where there is any uncertainty as to the application of a law, Group Legal Services should be consulted.

It is the responsibility of Senior Management to ensure that good governance principles are followed to ensure that all business processes comply with the laws of the jurisdiction in which they take place. Should there be a difference between the standard set by the applicable legislation and that prescribed by this Code; the higher of the two standards will apply.

While the list is not exhaustive, the actions that we will be dealing with in more detail below are bribery, fraud and misuse or misappropriation of property including intellectual property (information).

BRIBERY AND EXTORTION (BLACKMAIL)

Bribery includes offering, giving, requesting or receiving a payment/something of value (even nominal value) to improperly influence a decision or get a party to perform their job improperly.

As a Company listed on the London Stock Exchange, Petra Diamonds is subject to the UK Bribery Act 2010. A comprehensive Petra Group Anti-Bribery Policy, with supporting documentation, has therefore been compiled, and is available on www.petradiamonds.com/about-us/corporate-governance and on the Petra Diamonds Intranet sites.

TAX EVASION

In light of the Criminal Finances Act 2017, which was implemented on 30 September 2017, Petra is committed to the anti-facilitation of tax evasion. This statement governs all our business dealings and the conduct of all persons or organisations who are appointed to act on our behalf.

We request all our employees and all who have, or seek to have, a business relationship with Petra Diamonds Ltd and/or any member of our Group, to act at all times in a way which is consistent with our anti-tax evasion commitment.

A Group company could face prosecution under the Act if it fails to have in place reasonable procedures to prevent the facilitation of tax evasion. There are serious criminal penalties for committing an offence under the Act. Additionally, conviction could have serious consequences for the Group’s reputation and business relationships.

THE POLICY

Petra Diamonds Ltd and its group (the “Company”) has a zero tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country.

Employees and Associates of the Company (as defined below) must not undertake any transactions which:

(a) Cause the Company to commit a tax evasion offence; or
(b) Facilitate a tax evasion offence by a third party who is not an associate of the Company.

We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships where we operate, and implementing and enforcing effective systems to counter tax evasion facilitation.

At all times, business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.
For the purposes of this Code:

- Associates includes company employees or an agent of the Company (other than an employee) who is acting in the capacity of an agent, or any person who performs services for and on behalf of the Company who is acting in the capacity of a person or business performing such services.

- Tax Evasion means an offence of cheating the public revenue or fraudulently evading UK tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent.

- Foreign Tax Evasion means evading tax in a foreign country, provided that the conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent.

- Tax Evasion Facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country by another person, or aiding, abetting, counselling or procuring the commission of that offence). Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

- Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

- Tax means all forms of UK taxation, including but not limited to corporation tax, income tax, value added tax, stamp duty, stamp duty land tax, national insurance contributions (and their equivalents in any non-UK jurisdiction) and includes duty and any other form of taxation (however described).

**WHAT EMPLOYEES AND ASSOCIATES MUST DO**

- Employees and Associates must at all times adhere to the Petra Diamonds' anti-tax evasion commitment and must ensure that they read, understand and comply with this policy.

- Further information on the scope of the offence and the main areas of risk is available from the Finance Director of Petra Diamonds Ltd.

**WHAT EMPLOYEES AND ASSOCIATES MUST NOT DO**

It is not acceptable for employees and Associates to:

- Engage in any form of facilitating Tax Evasion or Foreign Tax Evasion;

- Aid, abet, counsel or procure the commission of a Tax Evasion offence or Foreign Tax Evasion offence by another person;

- Fail to promptly report any request or demand from any third party to facilitate the fraudulent Evasion of Tax by another person, in accordance with this policy;

- Engage in any other activity that might lead to a breach of this policy;

- Threaten or retaliate against another individual who has refused to commit a Tax Evasion offence or a Foreign Tax Evasion offence or who has raised concerns under this policy; or

- An offence under the law of any part of the UK consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax.

**PREVENTION THROUGH VIGILANCE**

There is not an exhaustive list of Tax Evasion opportunities. The best defence against Tax Evasion and facilitation of Tax Evasion remains the vigilance of our employees and the adoption of a common sense approach supported by our clear whistleblowing procedure. In applying common sense, employees must be aware of the following:

- Is there anything unusual about the manner in which an Associate of the Company is conducting its
relationship with the third party (usually a customer)?
  · Is there anything unusual about the customer's or Associate's conduct or behaviour?
  · Are there unusual payment methods?

TRAINING AND INFORMATION
If you have questions at any time in relation to tax evasion, or you feel that you would benefit from training in this regard, please contact the Finance Director.

HOW TO RAISE A CONCERN
The Company maintains a policy of “stand up, speak up” in relation to any concerns. Employees are encouraged to raise concerns about any issue or suspicion of Tax Evasion or Foreign Tax Evasion as soon as possible. If there is any suspicion of any intention that a team member or Associate or third party is attempting to, or committing Tax Evasion or Foreign Tax Evasion, the details of the parties and the transaction must be reported to the Finance Director.

Any queries or suspicions should be directed to the following:
  a) Jacques Breytenbach - Finance Director
  b) Rob Kaplan – Group Finance Manager
  c) The Company’s Whistleblowing procedures

WHAT HAPPENS IF THE EMPLOYEE PREFERENCES, FOR COMMERCIAL REASONS, NOT TO REPORT THEIR SUSPICIONS?
This should never happen. If there is any suspicion of any intention to evade tax and the transaction if nevertheless finalised, the Company can be criminally prosecuted, subject to a large fine and be publicly named and shamed.

FRAUD
What is fraud, and what may lead to allegations thereof?
Fraud is “deliberate deception, trickery or cheating intended to gain an advantage”.

It will be considered to be fraud when:
  • You deliberately and knowingly alter, conceal, destroy or forge records to misrepresent the actual state of affairs, e.g. conceal losses to the Company or wrongdoing by yourself or others.
  • You present false information, including documentation, in order to gain an advantage or avoid negative consequences of actions, e.g. presenting false certificates for qualifications not obtained.
  • You act under false pretences in a matter where you stand to gain from the outcome of your actions, e.g. recommending the services of a supplier in which you have an interest (see section on disclosure of interests and exclusion from business dealings).
  • You commit any act as above, purportedly on behalf of the Company, to the detriment of any third party.
  • Proof is found that false information or documentation was submitted while applying for reimbursement from the Company, e.g. submitting a travel claim using a fraudulent hotel bill.

**What do I do?**
A dispute has arisen between the Company and a service provider regarding the terms of a contract. It is becoming increasingly clear that the Company’s interpretation has been incorrect, which could lead to a significant financial penalty. In the light thereof, your supervisor requests you to destroy certain records, which would then make it difficult to prove the service provider’s interpretation to be correct.

Destroying records in order to misrepresent facts is clearly fraud. You should therefore not obey your supervisor by destroying the records, and immediately report this via the mechanisms outlined at the end of this document as a breach of this Code.
It could be considered to be fraud when:
- There can be any doubt about your intent or awareness of any action as outlined above.
- There is evidence that you were found to be planning or colluding to commit an act of fraud, even though the act might not have been committed yet.

How do we avoid fraud or allegations thereof?
- Always ensure that all business transactions take place according to approved procedures and accepted accounting principles.
- Rather declare issues of loss or wrongdoing that you have knowledge of, or have become involved in, to your supervisor, the Head of Security or the Head of Legal rather than trying to cover it up.

MISAPPROPRIATION OR MISUSE OF PROPERTY

What is misappropriation or misuse of property, and what could lead to allegations thereof?

Misappropriation is “to appropriate (property) for a wrong or dishonest use; embezzle or steal”.

Misuse is “erroneous, improper or unorthodox use; to treat harshly or badly”.

Misappropriation does not include theft of property only. It could include taking or keeping possession of property that is not yours in a way that does not comply with the normal procedures or arrangements regarding such possession, normally without due authorisation. Misuse can occur whether you are authorised to possess and use the property or not, but deals with the way in which the assets are used. Note that this could apply equally to “intellectual property”, e.g. information, as it does to financial or physical assets.

It will be considered to be misappropriation when:
- Theft or embezzlement of any Company, personal or third party assets takes place.
- You are found in possession of diamonds without the necessary authorisation or without the prescribed security procedures having been followed.
- Permission is granted for taking possession of, or using, assets without the person giving permission having the authority to do so.
- Any person takes unauthorised possession of any property for personal or Company use, even if the ownership of the lawful owner is not disputed.
- “Rolling of money”, i.e. unauthorised advances are taken from Company funds entrusted to an individual or function with the intention to pay it back later.
- Any property, except for personal effects, is removed from Company, private or third-party premises without proper authorisation.
- Company or personal information to which you have access is deleted, removed or appropriated without the required procedures having been followed and the necessary authorisation received.

It will be considered to be misuse when:
- Any Company or third party assets, including property, equipment and funds, are used in a way that they were not intended to be used, without due authorisation. A good example of this would be when the driver of a Company vehicle transports hitchhikers with the Company vehicle contrary to the official policy in this regard. Should he/she, in addition, charge them for the transport, it brings into play illegal and unethical conduct that is contrary to a number of other principles.
- Any Company or third-party assets are used in a reckless, negligent or unapproved way, or any assets are used in such a manner that it could endanger others or be to the detriment of the environment.
- Company information which you have access to is used in such a way as to jeopardise the legal or human rights of the Company, an individual or a third party, or to unfairly advantage any such entity over another. An example would be to divulge the details of a quote received from a supplier to another supplier in order to put the latter in the position to undercut the existing quote.

It could be considered to be misappropriation or misuse when:
- Assets that were allocated to a person for use are not returned to the rightful owner as per the agreement that was in place.
- Proper account cannot be given of how consumable goods that were provided to achieve a specific objective were utilised in order to achieve the stated objective.
- There is doubt whether information was used in the best interest of the entity who holds the intellectual property rights to that information.
How do I avoid acts or allegations of misappropriation or misuse?

- Establish who is accountable and responsible for the assets that you require to perform a task, and what the procedure is for gaining approval to take possession of or to use the assets.
- Follow the procedures as outlined, and complete all necessary documentation to serve as proof of proper authorisation.
- Do not take possession of any property without following the correct procedures for doing so.
- If you become aware of any evidence that assets or information relating to such assets may have been used in a fraudulent or improper manner, immediately advise your supervisor or the head of security.
- In the case of information, follow the required procedures to ensure that information that you have access to may be divulged to third parties.
PRINCIPLE 2: WE GO BEYOND LEGAL COMPLIANCE

Some actions might in some cases not be illegal, but they still have ethical implications. Below are a number of these to watch out for:

CONFLICTS OF INTEREST

A conflict of interest is “a situation in which a person has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties as, say, a public official, an employee, or a professional.”

The best-known, and most quoted, form of a conflict of interest is when an employee, or his family, is or becomes involved in an enterprise that does business with their employer. Conflicts of interest are however not limited to such a scenario, but could be based on many other allegiances such as friendships, personal interests (e.g. a specific sporting code), political affiliations, religious beliefs, etc. Conflicts of interest hold severe ethical risks as they could, if not managed appropriately, lead to some of the other forms of illegal or unethical conduct outlined.

The following are a few examples of scenarios in which the potential for conflict of interest is high:

- An employee who has interests in an enterprise that does business with the Company, i.e. he/she stands to gain financially from transactions between the two entities.
- An employee who is, on behalf of the Company, directly involved in business dealings with a company in which his/her relatives (e.g. siblings, parents, children, spouse or spouse’s direct family) or close friends have interests.
- An employee of the Company who holds a position in which he/she could be seen to influence dealings with another entity, e.g. a sport club, church, political party, etc. of whom he/she is also a member or holds office in.
- An employee who holds office in an organisation such as a church, political party, sports club, etc. and uses his position within that organisation to further the objectives of the Company.
- An employee who has taken up outside employment that might impact on his or her ability to dispose effectively of his/her duties as outlined in the employment contract with the Company.

What to do to avoid conflict of interest:

- Declare your, and/or your friends’ and relatives’, interest in an entity that does business with the Company.
- Declare your membership and/or position in non-profit entities with which the Company has a business relationship.
- Declare any outside remunerated employment to Human Resources so that a call can be made as to whether this would negatively impact on your employment relationship with the Company.
- Exclude yourself from any decision-making processes relating to Company dealings with those entities, whether enterprises or non-profit, in which you have an interest.
- Respect the sovereignty of both the Company and other social, religious or political entities of which you are a member or official, and allow both to make decisions based on their own imperatives without interference or “insider influencing” by the other. “Keep things clean”.
- Petra Diamonds respects the right of its employees to participate in the political processes of the countries in which it operates, but this must be done through democratic means and in a manner that is non-partisan. Conflict of interest should be avoided.

My brother-in-law has a construction company specialising in building reinforced walls, like the one the mine is planning to have erected. The tender has not been opened yet. May I discuss with him the details of the wall to be built, and provide him with the contact information of the responsible Clerk of Works?

You would be compromising yourself, and most likely others in the Company, by doing this. Although you do not have a direct interest in your brother-in-law’s company, providing this kind of information to him might be seen as unfairly advantaging him above others who would also like to tender for this contract. In addition, it would most probably come down to the unauthorised dissemination of Company information.

There is obviously nothing wrong in telling him that the wall is to be built, but he would have to follow the same process as other prospective tenderers.
which it operates. When pursuing such activities employees must ensure that their views are not identified as those of the Company.

DEALING WITH INFORMATION

Information represents an important asset to any individual or entity. We therefore need to be very careful when dealing with information. For this reason, the Company has put in place certain structures and principles to deal with communication with its internal and external stakeholders. These are contained in the Group Public Relations and Communication Management Policy, which needs to be read with the section below.

*It is unethical, and may be illegal, to:*  
- Divulge Company information to a third party, which might include the public, suppliers, colleagues or representatives of any other stakeholder, without proper authorisation to do so.  
- Use information about a third party that was gained in confidence to the benefit of the Company (this may come down to industrial espionage).  
- Divulge personal information about a person or entity to a third party without their knowledge or express consent without it being part of a legally privileged process.  
- Use Company-related information that you have access to for your own benefit or the benefit of other entities in which you have an interest. An example of this would be buying shares in the Company based on information which could affect the share price of the Company, that you have gained during your employment. This would come down to insider trading, which is not only unethical, but also illegal.  
- Start or perpetuate rumours, which might be based on half-truths, misunderstanding or misinformation, because they might have the potential of placing pressure on the Company or a third party to improve conditions or accede to requests or demands by employees or the community.  
- Comment to the media or other public opinion-formers about Company- or third party-related matters without having been expressly authorised to do so. Only persons officially appointed and authorised by the Company to deal with the media on Company-related matters are allowed to do so.

*How to deal ethically and responsibly with information*

Always keep in mind that not everyone may, or has to, have access to, or knowledge of, all information. The questions to ask are:

- “Is this information true and correct?”
- “Does this person or entity need to have access to this information?”
- “Will it prejudice the Company, an individual or a third party if I supply this information?”
- “Am I duly authorised to divulge or provide this information?”

Should the answer to any of the above questions be “No”, refrain from providing or passing on the information and bring the request for information to the attention of the relevant responsibility manager. Remember that all Company-related information is the property of the Company. Each employee therefore carries the responsibility to keep accurate records of, and protect, all such information as prescribed by governance codes, legislation and internal control mechanisms such as contained in Company Policies and Procedures.
Dealing with public requests for information (South Africa)

In compliance with the South African Promotion of Access to Information Act or “PAIA” (Act 2 of 2000), Petra Diamonds has put in place a PAIA Manual that outlines the procedures to be followed by individuals or third parties that wish to apply for access to information that is held or believed to be held by the Company. This Manual is available on the Company Intranet.

PRINCIPLE 3: WE WILL NOT TOLERATE HARM TO PEOPLE OR THE ENVIRONMENT

Managing risks to our safety, health and environment is Petra Diamonds’ first priority. We acknowledge that we are extracting a finite mineral resource, and that we need to do so responsibly in order to leave positive, long-lasting consequences for people as well as the natural environment as a legacy. We therefore have adopted a zero-harm philosophy regarding the health and safety of people and the protection of the natural environment.

Health and Safety

We believe that all accidents, occupational illnesses and injuries are preventable, and that achieving zero harm requires zero tolerance of any substandard conditions or acts. We want everyone who works for or with us to leave the workplace in the same healthy condition in which they reported for work.

To achieve this, we require everyone covered by this Code, as well as visitors, to have knowledge of and conform to all Health and Safety practices as outlined in Codes of Practice, Policies, Procedures, Special Instruction or any other relevant official documents outlining the applicable standards.

What do I do?

I am at a remote site to do some welding on a leaking main water supply line. After setting everything up for the job that will take five minutes at most, I find that I have left my welding gloves at the workshop. Can’t I just do this job quickly; I have done it so many times and never burnt myself, or do I really now need to drive back to the workshop for the gloves?

As explained in the text, we are aiming at zero harm to people and the environment, which implies zero tolerance for any deviations from safety standards. The implications of this is that you are not allowed to do the job without wearing the correct Personal Protective Equipment (PPE) - including gloves. The answer therefore would be that you need to drive back and get the gloves before proceeding. Your safety is paramount - much more important than the repairs on the water line.
Petra Diamonds provides a safe place to work and you have a personal responsibility to ensure that you are competent and appropriately trained to undertake your work activities. More details regarding this are available in the Group Health & Safety Strategy.

**What is expected of you:**
- Immediately stop any work that appears to be unsafe;
- Comply with the requirements of our environmental, health and safety procedures, and assist those working with you to do the same.
- Ensure you identify, assess and take steps to control Health and Safety hazards associated with your work.
- Use the personal protective equipment required for the task you are undertaking.
- Handle, transport and arrange for the disposal of materials, products and waste in a safe, environmentally and socially responsible manner.
- Make sure you know what to do if an emergency occurs at your workplace and that visitors are familiar with emergency procedures.
- Report any accident, injury, illness, unsafe or unhealthy condition, incident, spill or release of material to the environment so that appropriate action can be taken to prevent, correct or control those conditions.

**You are not allowed to:**
- Undertake work unless you are trained, competent, medically fit and sufficiently rested and alert to do so.
- Enter any workplace under the influence of alcohol or illegal drugs.
- Ignore a potential or actual Safety or Health incident or assume that someone else will report it.

**Environment**
Petra Diamonds is committed to the responsible custodianship of the environment in which it operates. For this reason, we implement and uphold recognised standards of environmental management and strive towards formal certification of the environmental management plans of our operations. More detail regarding Petra Diamonds’ approach to ethical custodianship of the environment can be found in the Group Environmental Policy.

Where there are conservation areas linked to our operations, we actively manage these using sound conservation and biodiversity principles.

**Security of our People, Property and Product**
The security of all the resources we have at our disposal to achieve our objectives and thereby unlock value for our stakeholders is of utmost importance, whether it be people, Company property or the product we extract - diamonds. We advance the security of our people by striving towards safe and secure workplaces and communities, the latter through active involvement via social investment and partnerships with the local authorities.

We believe in the right of ownership and will ensure the security of our property by employing appropriate systems and procedures in order to ensure the availability thereof for achieving our objectives.

Our product is diamonds, which are valuable and easily hidden, and the loss of which could lead to non-profitability of our operations and loss of employment by our employees and industry partners. Security of our product is therefore non-negotiable and we will employ all necessary means - overt and covert - to protect our diamonds from theft or loss.

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**What do I do?**

While I am buying a new car, the salesman starts asking me about my work at the mine. He then suggests that I should see whether I cannot bring him some diamonds - he says that he has made good money for himself and others that way in the past.

How do I handle this situation?

It is very clear that this car salesman is involved, or planning to get involved in Illegal Diamond Trafficking (IDT), which is not only against the law but also unethical as it puts the profitability of the mine and the employment of its employees at risk. This advance should therefore be firmly declined and the reasons explained to the salesman.

In addition, and very importantly, this should be reported and a full statement made with the Security Department as soon as possible after the event. Great care will be taken to protect your rights, and identity if needed, during the subsequent investigation.
We will therefore not condone any Illegal Diamond Trafficking ("IDT") and will, both independently and in cooperation with relevant authorities, take all necessary legal steps to prevent or curb it.

The Company believes in the responsible mining and sale of its diamonds, and will only operate in countries which are members of the Kimberley Process. As a legitimate diamond miner operating in South Africa, Tanzania and Botswana, 100% of Petra’s production is fully traceable and conflict free.

The Communities in which we operate
Petra Diamonds has formally structured corporate investment programmes at all of its operations, both as required by mining legislation in the jurisdictions in which we operate and on a discretionary basis. The initiatives supported include infrastructure development, poverty relief, capacity building, health and education and other projects in partnership with authorities and non-profit organisations, as well as direct support through assistance and grants to causes with merit.

It is important that the communities affected extract maximum benefit from these initiatives. Since funding, assistance or donations could lend themselves to illegal and/or unethical conduct such as fraud or misappropriation, or could be interpreted as a bribe, appropriate due diligence should be carried out to ensure that the recipients are bona fide and to provide assurance that any such funding or donation be used for its intended, legitimate purpose.

All Corporate Social Investment funding or assistance should:
• Be clearly documented and transparent.
• Be made to legitimate organisations.
• Identify the beneficiaries.
• Be properly approved in advance.
• Be monitored to ensure that it is used as agreed.
PRINCIPLE 4: NOT ONLY DO WE RESPECT HUMAN RIGHTS, BUT WE ACTIVELY ADVANCE THEM

In accordance with our Values, Petra Diamonds places a high premium on Human Rights, and is committed to support and advance the human rights principles as set out in the United Nations Universal Declaration of Human Rights and supporting legislation in the jurisdictions in which we operate (e.g. the Bill of Human Rights, Chapter 2 of the Constitution of the Republic of South Africa). Where there is a difference in standard between the UN Universal Declaration of Human Rights and local legislation, the higher of the two standards will apply in the absence of specific legislation giving effect to the principle in question.

Support and advancement of human rights requires going beyond compliance with applicable laws and the Declaration. We are therefore committed to, through applicable policies, procedures and processes, actively advance human rights with regards to issues within our control.

The following is expected of employees and business associates:

- To know what the human rights are that are outlined in the UN Universal Declaration of Human Rights and local legislation.
- To uphold these rights, both in their execution of duties in service of the Company and in their private capacity.
- To report to the relevant responsibility manager or authority, and actively contribute to the eradication of, breaches of their own human rights or that of others.
- To suggest or, where within their power, put the required mechanisms in place to prevent the occurrence or reoccurrence of human rights breaches, or to advance human rights (e.g. employment equity, freedom of expression, etc.).

As practical examples, employees and business associates may - amongst many other actions - not:

- Engage in sexual harassment - i.e. unwelcome sexual advances, requests for sexual favours, physical contact or repeated sexual suggestions, distribute inappropriate or display offensive material, including inappropriate images.
- Behave in any way that could be viewed as offensive, intimidating, malicious or insulting or humiliate, denigrate or injure another person.
- Create or support a hostile or intimidating work environment, including one in which employees may feel forced to engage in inappropriate work practices in order to be accepted.
- Make racial, ethnic, religious, age-related, gender related, disability-related or sexual jokes or insults.

Fair Employment Practices

We treat all of our employees, whether full time, part time or temporary, fairly and with respect, and are committed to eliminating discrimination and encouraging diversity amongst our workforce. Decisions related to recruitment selection, remuneration, development or promotion are based upon merit and formal standards and processes (e.g. formal remuneration scales and rates). Factors such as gender, marital status, race, ethnic origin, colour, nationality, disability, religion, sexual orientation or age may not be used to unfairly discriminate against individuals.

What do I do?

One of my colleagues, while being an excellent worker and actually a very good person, can sometimes act in an uncouth manner. He is fond of telling dirty jokes, making comments of a sexual nature about (and to) the ladies in the workplace, and often distributes material of a sexual nature around the office via prints or email. Most of us find this offensive. How do I handle the situation?

You could talk to the person to tell them that it is inappropriate. However, if you are uncomfortable doing that or the person ignores this advice then you should report it to your manager or follow the official grievance procedure as outlined in the disciplinary code.
PRINCIPLE 5: UPHOLDING THIS CODE IS EVERYONE’S RESPONSIBILITY

What is my Responsibility towards the Code?

As an employee or business associate of Petra Diamonds (as outlined in the introduction) it is your personal responsibility to act in accordance with the requirements set out in this Code of Ethical Conduct. Please read the Code carefully, so as to understand it and be able to apply it, and refer to it when you are uncertain of what the correct action would be.

It is also your personal responsibility to promote the principles as contained in this Code. If you suspect or become aware of any violation of the Code or have concerns that some activities carried out by others may breach the Code, you should report your concern. Ignoring or condoning breaches of the Code is not in the interest of Petra Diamonds or demonstrating commitment to ethics, and we therefore urge you to report any concerns you might have about activities or practices which are, or appear to be, in breach of this Code.

In addition to the above, any employee who is in a supervisory position has the additional responsibility to support those reporting to him/her in knowing and applying the Code. This firstly includes showing commitment and leading by example, but also promoting knowledge of the Code and the asking of questions about it, monitoring application, reporting violations and ensuring that business processes in his/her area of control comply with it.

Will I be victimised or disciplined if I report?

Petra Diamonds will not tolerate retaliation in any form, including victimisation or disciplinary action, against an individual who speaks up in good faith even if the concern is later found to be factually incorrect or untrue.

For South Africa operations, we fully comply with the Protected Disclosures Act (Act 26 of 2000), and details of the procedures put in place within Petra Diamonds South Africa to ensure compliance can be found in the Petra Diamonds Whistleblower Policy that is available on the Company Intranet.

We will treat all reported cases seriously and with integrity, establish the facts and take appropriate action. If needed, we will carry out a formal investigation as per our internal procedures and introduce formal disciplinary procedures if and as required. In the event of a breach of the law, we will inform relevant authorities or law enforcement agencies.

Throughout this process the rights (and if necessary, the identity) of the person who reported the breach, as well as that of the accused, will be protected.

Should I report it?

If you are not sure whether something should be reported, you can ask yourself the following questions:

- Does the action you are concerned about comply with our Code?
- Is it legal?
- Does it conform to our Values?
- How would it appear if it was reported in a newspaper?
- Would others consider it responsible - colleagues, family or other businesses?

Does it feel right? If it feels wrong, it probably IS wrong.
What should I report?

Examples of concerns which would certainly require you to speak up would be:

- Where a criminal offence has been, or is likely to be, committed including financial irregularity or suspicion of bribery or fraud.
- Where someone has failed to comply with a legal obligation.
- Any disregard for health and safety including any breach of legislation.
- Any act which may cause damage to the environment.
- Any action intended to conceal information regarding any of the above matters.

Ask for advice should you be unsure of the action to take.

How to report

If you are comfortable doing so, a concern can be reported by discussing it with your line manager, supervisor or the Head of Security, during which discussion a report or statement should be completed or requested.

This Code of Ethical Conduct provides employees and others with the opportunity to independently and anonymously report conduct that is in contravention of the Code e.g. fraud, corruption, diamond theft or other workplace related crimes. In order to uphold the independence and make the service credible, a decision was taken to outsource the reporting of such conduct to an independent service provider, namely Deloitte. This service, which Deloitte renders to a number of corporates, guarantees the anonymity of the reporter, except if the reporter explicitly provides permission for his/her details to be shared.

Kindly refer to the information in the box below, which outlines the service and contact details. The service is provided in all local languages in the countries in which Petra operates as well as a number of international languages. It is open to both employees and others with links to Petra, and to any member of the public.

All tip-offs received via telephone, fax, e-mail, and post will be directed to the Deloitte central facility for further investigation and feedback, where required. The identities of those reporting certain conduct as well as the contents of the tip-offs received will be kept strictly confidential and protected according to applicable local and international Laws. The investigation of tip-offs received by Deloitte will be conducted by senior management of Petra, who will also report on these matters directly to the Petra Board of Directors.

Details of the service will also be placed onto the Petra web site (www.petradiamonds.com) and on the Petra Intranet (hosted on SharePoint).

Keeping this a Living Document

This Code is intended to remain a “living document” that we keep improving through the participation of everyone in Petra Diamonds. You are therefore invited to send your suggestions on to how to improve it to ethics@petradiamonds.com. This same address can also be used for any questions or clarification you might need regarding the Code or the application thereof. All queries received will be referred to the appropriate authority on the issue in question for response and advice. Whenever necessary, all queries, requests for clarification and reports of suspected breaches will be handled with the strictest confidentiality.

The Company is committed to doing the right thing by pursuing cases of a criminal nature in order to secure a conviction.

Tip-offs Anonymous Talk to us in the language of your choice, 24 hours a day, 365 days a year

Toll Free: 0800 007 247
Phone Call: +27 31 571 5573
Fax: +27 31 560 7395
Email: tothehotline@tip-offs.com
Post: KZ 138, Umhlanga Rocks, 4320
Website: www.tip-offs.com

Call the Tip-Offs Anonymous hotline with information you may have regarding fraud, corruption or other workplace crime.
Let's do it right

Code of Ethical Conduct