

Chairman's Introduction to Governance

“During FY 2021 we have looked to further enhance our Board strategy, structure, diversity and culture. Our aim is that by embedding these essential components at the very heart of the Company, we can deliver optimal corporate governance.”

Peter Hill CBE
Non-Executive Chairman

Dear shareholder,

This Year, we have continued to strive for strong and effective corporate governance which we believe to be essential to the long-term success of the Company. Since becoming Chairman, I have been impressed by Petra's high standards in this area, which are led by the Board from the top down, and pleased that the Company has accomplished the requirements of the UK Corporate Governance Code 2018 (the “Code”).

However, during FY 2021 we have looked to further enhance our Board strategy, structure and culture. Our aim being that by embedding these essential components at the very heart of the Company, we can look to deliver optimal corporate governance.

Governance highlights for FY 2021 are as follows:

Board evolution and succession planning

Over recent years we have embarked on a significant evolution of the leadership team at Petra – notably with the appointment of Mr Duffy as Chief Executive in April 2019 and myself as Non-executive Chairman in March 2020. We have also implemented broader Board changes in line with the Code, particularly with regard to those iNEDs that had fulfilled their nine-year tenure. As such, Dr Pat Bartlett stepped down at the end of FY 2020, followed by Mr Tony Lowrie in November 2020 – the latter being succeeded by Ms Varda Shine stepping up to the role of Senior Independent Director on his departure. Following the completion of the Restructuring on 10 March 2021, Mr Matthew Glowasky was appointed as a non-independent NED, having been nominated by Monarch in accordance with the Nomination Agreement between it and the Company. The Company also announced during the Year that Mr Gordon Hamilton will retire from the Board and as Chair of the Audit and Risk Committee at the conclusion of the FY 2021 Annual General Meeting.

In FY 2021, the Nomination Committee set out to identify a successor to Mr Hamilton. On 1 July 2021 we were pleased to welcome Ms. Deborah Gudgeon to the Board as an iNED, with the Nomination Committee recommending that she assumes Mr Hamilton's role as Chair of the Audit and Risk Committee when he steps down in November 2021.

In addition to Ms. Gudgeon, we also welcomed Ms Alex Watson and Mr Johannes Bhatt as non-independent NEDs post Year end, who were nominated by Franklin Templeton and Monarch respectively. Monarch also exercised their right under the Nomination Agreement to appoint Mr. Marius Kraemer as their Board Observer with effect from 1 July 2021.

As a result of the change in Board composition, there were a number of changes to the make-up of the Board Committees. Particular attention was paid to ensuring that the Nomination, Audit and Risk and Remuneration Committees only comprise iNEDs, which we believe brings greater cohesion and transparency to these Board Committees.

Following the closing of the Restructuring, the Board also formed an advisory Investment Committee, chaired by myself and which includes the aforementioned Directors nominated by the Noteholders (shareholders), as well as Mr Duffy, Mr Breytenbach, Mr Hamilton, Mr Pryor and Ms Gudgeon, in order to monitor significant capital and other investments and recommend their adoption to the full Board.

Board strategy, process and performance

The COVID-19 pandemic has caused considerable disruption to Petra's business and the previously established 'normal' way of doing things and I would like to applaud the Board and broader team for embracing last year's “Adapt to Thrive” approach. The Group has had to adapt to a considerably different operating and market environment, not only with regards to ensuring a COVID-19 secure work environment but also with the onset of remote working. The impact of this, in addition to the challenges in the broader business environment and the additional application of time and consideration needed to implement the Restructuring, meant that the Board had to remain highly flexible with regards to strategy. The frequency of virtual Board, Committee and sub-committee meetings remained high during the Year in order to stay on top of and respond appropriately to a fluctuating business and operating environment, as well as to oversee the multi-stakeholder engagement process required to establish an improved capital structure for the business, the latter of which was achieved in March 2021.

In May 2021, the Company reported the findings of the Tunajali Committee. This Board Sub-Committee, which was composed entirely of iNEDs, was formed to investigate the alleged breaches of human rights at the Williamson mine in Tanzania raised by the UK law firm, Leigh Day, and the NGO, RAID. The Board took these allegations extremely seriously and sought to carry out a full assessment of the allegations through an external investigation, with the aim of understanding what happened, supporting the provision of a balanced and fair remedy, in the interest of all parties, and putting in place preventative measures to address the issues identified. A number of actions have been taken to address the past shortcomings identified during the investigation and these include changes to the reporting structures at both PDL and WDL to address historical gaps and ensure accountability, enabling the more timely, accurate and transparent reporting of all incursions and incidents. The revisions entail a new incident escalation procedure to PDL, including fully transparent reporting to the PDL Board, as well as to the Audit and Risk and SED Committees through two independent reporting lines. In addition, Petra appointed a Group General Counsel and Company Secretary in June 2021 to oversee governance, compliance and ethics in the business, providing further oversight of Petra's activities and operations.

The Board has continued to perform in alignment with the most recent externally facilitated Board evaluation, which confirmed our ability to operate well and make progress across areas identified for improvement. Unfortunately, however, given the continued restrictions imposed on travel and face-to-face contact driven by the Covid-19 pandemic, we have been unable to resume those items that included NEDs having in-person meetings, physical mine visits and engagement to the extent that we had hoped. To counter this, we have extended our efforts in providing virtual tours and meetings and continued to focus on developing and enhancing Board dynamics.

Culture and values

At the heart of all successful business operations is a culture and set of values that all stakeholders carry with them in what they give and take to and from the Company. On joining Petra, I was impressed by the Company's overriding commitment to safety and care for the environment, a 'can-do' spirit and an open and collaborative way of working.

As noted previously, however, given the considerable evolution of the business over recent years, during FY 2021 we made it our focus to re-evaluate the culture of the Group. The Company has therefore launched a number of initiatives that we consider to be the building blocks for developing a culture in Petra that is aligned to our values and re-positions the business – read more on pages 6 to 7 in this report and on pages 38 to 39 in our 2021 ESG and Sustainability Report.

Diversity

We remain committed to improving diversity levels throughout the workforce, Management team and Board – noting the benefits a broad mix of expertise, skills and diversity can bring to our performance. In FY 2020, the Board and SED Committee approved the Diversity and Inclusion Policy which aims to encourage leadership at all levels across the organisation to think broadly about diversity in its different forms and to ensure that appointment and succession planning practices are inclusive of retention policies that are designed to promote diversity. The policy also seeks to ensure that the Company develops a diverse pipeline for succession to top, senior and junior management levels and creates the framework for reporting on actions taken to promote diversity in terms of actual progress achieved on diversity and inclusion.

During FY 2021, Management also commenced the development of a Petra Diamonds South Africa Employment Equity Plan. It is intended that this will align the Company's employment equity targets in South Africa with other sector-specific targets included in the new Mining Charter (encompassing both gender and ethnicity targets), as well as a Group-wide Petra Diamonds Limited Diversity and Inclusion Plan, which will set targets for gender representation across the various levels of the organisation. Petra will expand its reporting on wider employee diversity, as well as gender diversity, in its 2022 Annual Report.

The overall gender diversity of the Company improved in FY 2021, with women representing 20% of our workforce, up from 19% in FY 2020. I was also pleased to note the improvements in terms of women in managerial positions, particularly with our first female production manager who was hired at Finsch on 1 June 2021. We believe our various employee development programmes, such as our Leadership Development Programme and the Women in Leadership Programme, are integral to such progress (read more on page 51). The percentage of women on our Board was 25% during the Year, and increased to 36% following the appointments of Ms Gudgeon, Ms Watson and Mr Bhatt on 1 July 2021. Following the retirement of Mr Hamilton on 12 November 2021, this percentage will be 40%.

Governance updates

In July 2018, the Code was published and applied to accounting periods commencing on or after 1 January 2019. As at the date of this report, the Board considers that Petra is in full compliance with the Code's provisions – read more on page 66.

In June 2021, Mr Rupert Rowland-Clark was appointed as Group General Counsel and Company Secretary to, *inter alia*, oversee governance, compliance and ethics in the business. Mr Rowland-Clark is a qualified Solicitor with over 20 years' legal and executive experience, most recently as General Counsel of international oil and gas exploration company Tullow Oil PLC, where he provided strategic, operational and commercial advice to the board, executive team and senior management, and before that as a merger and acquisitions lawyer at a leading global law firm, where he worked on a broad range of transactions across multiple sectors and jurisdictions.

Other important governance developments for the Group during the Year were the roll-out of a human rights awareness campaign, targeting stakeholders at all levels, the update of the Company Human Rights Policy Statement and the implementation of a Human Rights Defenders Policy.

Stakeholder engagement and feedback

Positive relationships, involving consistent two-way communication avenues with all of our stakeholders, are essential to the long-term success of our business. As a Board, we receive feedback on the views and priorities of our key stakeholder groups, as set out on pages 14 to 17, and stakeholder views are considered when making strategic decisions. An important example of this was the implementation of the Restructuring of the Group that was completed on 10 March 2020, which had to be acceptable to and coordinated between the Company, our Noteholders, our South African Lender Group, our BEE Partners and our shareholders. Our aim was to ensure the best outcome possible in the current business environment and given the Company's then financial position, to secure stability of operations and the balance sheet, thereby also benefitting our workforce, host countries and local communities, as well as our customer base.

We continually look to improve and strengthen our stakeholder engagement processes and are pleased to have made significant progress this Year with the Company's SED Committee, chaired by Ms Matloa, which has looked to engage with the demands of social, ethical and diversity factors affecting the workforce and local communities – factors that have been significantly impacted by the ongoing COVID-19 pandemic. Furthermore, in light of the unfortunate and regrettable alleged breaches of human rights arising from the security operations at the Williamson mine in Tanzania (see pages 45 and 46), the Board has committed to enhance its stakeholder engagement approach and processes. This includes the simplification and clarification of relevant policies and processes, the establishment of consistent feedback and grievance mechanisms, as well as revised Stakeholder Engagement Plans.

Should any stakeholder like to speak to me or Ms Shine, the Senior Independent Director, about any aspects of this Annual Report or the Company's performance, please do not hesitate to get in contact via our Corporate Communications team based in London (see page 214 for contact details).

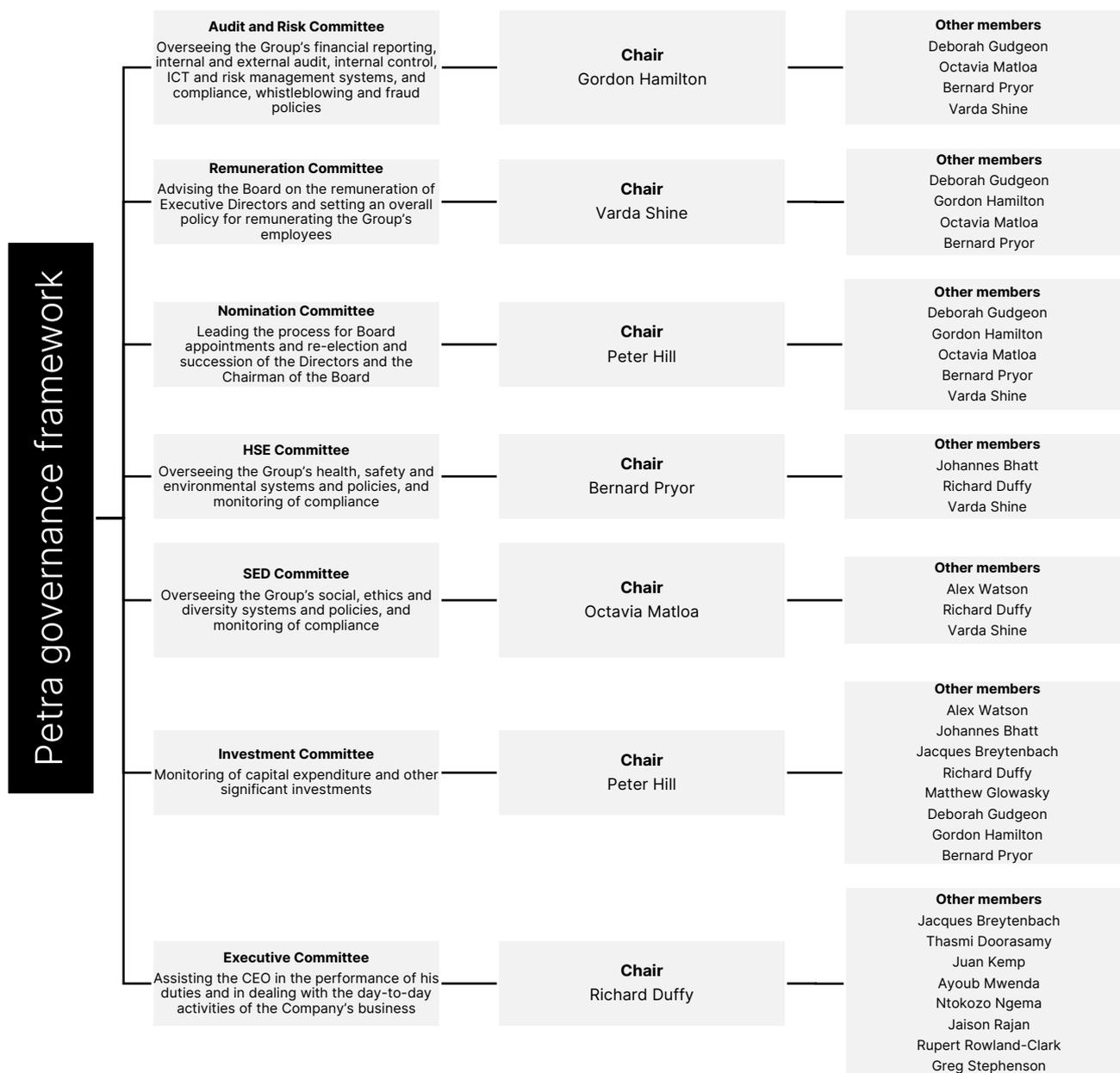


Peter Hill CBE
Non-Executive Chairman
12 October 2021

Chairman’s Introduction to Governance continued

Petra governance framework

(as at 12 October 2021)



Board of Directors (as at the date of this report)

1. Peter Hill, CBE (N) (I)

Non-Executive Chairman

Appointment date January 2020 and as Chairman 31 March 2021.

Qualifications Chartered Engineer and Fellow of the Institution of Materials, Minerals and Mining; BSc in Mining Engineering – University of Nottingham; MBA – London Business School; South Africa Mine Manager’s Certificate of Competency.

Skills Mr Hill is a mining engineer who has held numerous positions at Anglo American, Rio Tinto, BP Minerals and Consolidated Gold Fields plc, following which he was Chief Executive of Laird plc from 2002 to 2011. More recently he has held the role of non-executive chairman and non-executive director for a number of UK PLCs and UK government organisations.

Experience Mr Hill has extensive board experience and has been directly involved in four UK plc takeovers, a FTSE 100 merger, a FTSE 250 demerger and an IPO.

External appointments Non-Executive Chairman of Keller Group plc.

Interest in the Company as at 30 June 2021

Nil shares (30 June 2020: Nil shares).

2. Richard Duffy H S I (E)

Chief Executive

Appointment date April 2019.

Qualifications B. Com degree – WITS University, South Africa; MBA from Henley Management College, UK.

Skills In addition to his business, strategic and financial skills, Mr Duffy has extensive experience in both open pit and underground mining and a proven focus on safety, productivity and community relations, having led multiple large-scale mining operations across Africa.

Experience Mr Duffy has more than 30 years of global mining industry experience, initially with Anglo American plc and then AngloGold Ashanti Limited, where he worked across business development, exploration and corporate finance; Mr Duffy was appointed Executive Vice President: Africa Region in 2008 and became CFO and Executive Director of AngloGold Ashanti in 2013.

External appointments Director of Aren Energy (Pty) Ltd, Director of the Natural Diamond Council.

Interest in the Company as at 30 June 2021

240,000 shares (30 June 2020: 240,000 shares).

3. Jacques Breytenbach I E

Finance Director

Appointment date February 2018.

Qualifications Chartered Accountant – member of the South African Institute of Chartered Accountants.

Skills Mr Breytenbach leads the financial management of the Company and is responsible for financial and management accounting and reporting, business

development, treasury, financial controls, reporting, legal, compliance and corporate governance.

Experience Mr Breytenbach held the role of Finance Manager – Operations at Petra from 2006, with responsibility for financial management across the Group’s operations, before becoming Chief Financial Officer of the Group in June 2016. Prior to joining Petra, he held various roles, culminating in Finance Manager – Capital Projects at Anglo Platinum.

External appointments None.

Interest in the Company as at 30 June 2021

243,750 shares (30 June 2020: 243,750 shares).

4. Varda Shine (R) A N H S

Senior Independent Non-Executive Director

Appointment date January 2019.

Qualifications MsC Executive coaching (Hult/Ashridge), Business and management courses at Technicon (Israel), Templeton College, Oxford, Cranfield and INSEAD.

Skills Ms Shine is a non-executive director, a CEO’s executive mentor and a diamond industry expert adviser, with significant experience and knowledge of stakeholders across the supply chain and a track record of delivering record sales and profits.

Experience Ms Shine has 30 years of experience in the diamond industry, including eight years as the De Beers Trading Company CEO (2006–2014). She is a trustee of the Teenage Cancer Trust.

External appointments Ms Shine currently sits on the boards of the Mineral Development Company Botswana, Sarine Technologies Limited (Singapore listed) and Niron Metals Plc. She is also a Governing Board member of the Diamond Empowerment Fund.

Interest in the Company as at 30 June 2021

Nil shares (30 June 2020: nil shares).

5. Gordon Hamilton (A) N R I

Independent Non-Executive Director

Appointment date November 2011; will retire in November 2021.

Qualifications Chartered Accountant – ICAEW.

Skills Mr Hamilton has extensive experience as a non-executive director across a wide range of businesses.

Experience Mr Hamilton retired from Deloitte and Touche LLP in 2006 after more than 30 years as a partner primarily responsible for multinational and FTSE 350 company audits, mainly in the mining, oil and aerospace and defence industries, as well as heading the Deloitte South Africa desk in London. He served for nine years until 2011 as a member of the UK Financial Reporting Review Panel.

External appointments Non-Executive Director of Atrium Underwriting Group Limited, Nedbank Private Wealth and other related companies within the Nedbank Group.

Interest in the Company as at 30 June 2021

247,000 shares (30 June 2020: 247,000 shares).

Board of Directors continued

(as at 30 June 2021)

6. Octavia Matloa A N R (S)**Independent Non-Executive Director****Appointment date** November 2014.**Qualifications** Chartered Accountant – Member of the South African Institute of Chartered Accountants and the Independent Regulatory Board for Auditors.**Skills** Ms Matloa is a Chartered Accountant and brings broad business, financial and auditing experience to the Board.**Experience** Ms Matloa has 17 years of corporate experience of which 13 years is in the mining industry. She completed her articles with PwC in South Africa in 2000 and was appointed by court as the first woman curator in the insurance industry. She has also served on various public sector audit committees. Ms Matloa has founded a number of businesses, including Tsidkenu Chartered Accountants Inc. and Mukundi Mining Resources.**External appointments** none.**Interest in the Company as at 30 June 2021**

Nil shares (30 June 2020: nil shares).

7. Bernard Pryor (H) A N R**Independent Non-Executive Director****Appointment date** January 2019.**Qualifications** Metallurgical Engineer, Royal School of Mines, Imperial College London; Chartered Engineer from the Institute of Mines and Metallurgy.**Skills** Mr Pryor has a wide skill-set encompassing project acquisition, development and construction and international commercial and general management, and has run large-scale, fully operational mining assets.**Experience** Mr Pryor has over 35 years' experience in the international mining industry; prior to his appointment as CEO of Alufer Mining, he was previously CEO of African Minerals Limited and Q Resources plc. Mr Pryor also held senior positions within Anglo American plc and was COO at Adastra Minerals Inc.**External appointments** CEO of Alufer Mining and non-executive chairman of MC Mining Limited.**Interest in the Company as at 30 June 2021**

Nil shares (30 June 2020: nil shares).

8. Matt Glowasky I**Non-Executive Director****Appointment date** March 2021.**Qualifications** BSE/BA, Finance, International Studies and French.**Skills** Mr Glowasky's skillset includes significant experience in investing in fixed income and equities. He has also served on the boards of several listed and non-listed companies.**Experience** Over five years directorial experience in UK companies in the health and social care sector.**External appointments** Director of Stanton Lodge Limited, Cedarhurst Lodge (Spring) Limited, Stanshawes Care Home Limited, Blackwell Vale Limited, Saintfield Lodge (Spring) Limited, Edgewater Lodge (Spring) Limited, Willoughby Grange Limited, Hollyblue Healthcare (Norton Lees) Limited, St Georges Hall and Lodge Limited, Norton Lees Hall and Lodge Limited, Hollyblue (Finance 2) Limited, Butterfly (Finance) Limited, Hollyblue Healthcare (Red Hill) Limited, Hollyblue Healthcare (Finance) Limited, Hollyblue Healthcare (Millbrow) Limited, Hollyblue Healthcare (Alphacare) Limited, Hollyblue Healthcare (Voyage Care)

Limited, Hollyblue Healthcare (Arden) Limited, Hollyblue Healthcare (Stirling) Limited, Hollyblue Healthcare (Gisburne Park) Limited, Hollyblue Healthcare (Carrick Glen) Limited, Hollyblue Healthcare (Ulster) Limited, Hollyblue Healthcare (Spring) Limited, Hollyblue Healthcare (Amore) Limited, Hollyblue Healthcare (London) Limited, Aspenframe Limited, Windmill Hills Care Home Limited, Papillon Care Limited, Eagle View Care Home Limited, Express Care (Guest Services) Limited, Mariposa Care Limited, Primrose Care Home Limited, System Cycle Limited, Sovereign Guest Services Limited and Crossco (1333) Limited.

Interest in the Company as at 30 June 2021

Nil shares (30 June 2020: N/A).

9. Deborah Gudgeon* A R N I**Independent Non-Executive Director****Appointment date** July 2021.**Qualifications** Chartered Accountant – ICAEW.**Skills** Ms Gudgeon is a Chartered Accountant with a diverse skillset, including corporate finance, restructuring and debt management, performance improvement and auditing.**Experience** Ms Gudgeon has 30 years' corporate experience. Following her qualification as a Chartered Accountant she spent eight years as Finance Executive with the Africa-focused mining and trading group Lonrho plc, and then held positions with Deloitte, BDO and Gazelle Corporate Finance. She has also served as an independent non-executive director and audit committee chair at both Acacia Mining plc and Highland Gold plc.**External appointments** board member and committee chair of EVRAZ plc; senior adviser of Penfida Limited.**Interest in the Company as at 30 June 2021**

Nil shares (30 June 2020: N/A).

10. Alexandra Watson* S I**Non-Independent Non-Executive Director****Appointment date** July 2021.**Qualifications** BA Com Hons, University of Cape Town and a Chartered Accountant (SA). She is also Emeritus Professor of Accounting at the University of Cape Town.**Skills** Ms Watson is an experienced non-executive director and chartered accountant and has a wide skill-set encompassing corporate governance, financial and other forms of corporate reporting, investment, broad business and financial experience.**Experience** Ms. Watson has 28 years of experience in corporate governance, accounting and reporting and has held Board positions for listed companies for nearly 20 years. She is a former Chair of the Accounting Practices Committee of the South African Institute of Chartered Accountants and is currently Chair of the South African Financial Reporting Investigations Panel. She was a board member, and in 2019 was Vice-Chair of the Amsterdam-based Global Reporting Initiative and is a board member and member of the Audit, Finance and Investment Committees of WWF-SA. She was previously a Professor of Accounting at the University of Cape Town.**External appointments** Ms Watson is chairperson of Coronation Fund Managers in South Africa and is independent non-executive director and chair of the Audit and Risk Committee of Steinhoff International Holdings N.V.**Interest in the Company as at 30 June 2021**

Nil shares (30 June 2020: N/A).

11. Johannes Bhatt* H, I

Non-Independent Non-Executive Director

Appointment date July 2021.

Qualifications MA Business Administration and Economics, Universities of Augsburg and Stuttgart.

Skills Mr Bhatt has a broad skill-set encompassing, amongst others, corporate finance, treasury and sustainability within the international mining industry.

Experience Mr. Bhatt has many years of experience in the mining and commodity industries. Prior to his current roles, he was a non-executive board member of Stemcor Global Holdings, a leading steel trading company, having previously been with Scholz Holding GmbH, an international metals recycling group for ten years, latterly as Chief Financial Officer. His earlier career was with Deutsche Bank AG and Voith AG.

External appointments Mr Bhatt is currently Managing Director of Incomet Capital GmbH, an investment company within the mining sector, and a board member of Zangezur Copper Molybdenum Combine, formerly part of the Cronimet Mining Group.

Interest in the Company as at 30 June 2021

Nil shares (30 June 2020: N/A).

Committee key

A Audit and Risk Committee

N Nomination Committee

R Remuneration Committee

H Health, Safety and Environment Committee

S Social, Ethics and Diversity Committee

I Investment Committee

E Executive Committee ("Exco")

() Chair

Board changes in FY 2021

Mr Glowasky was appointed to the Board and a member of the Nomination Committee, the SED Committee and the Investment Committee on 10 March 2021, though he stepped down from the Nomination and SED Committees on 1 July 2021.

Mr Lowrie was Senior Independent Director up to 17 November 2020, upon which date he retired from the Board. Ms Shine was appointed Senior Independent Director in succession to Mr Lowrie with effect from the same date.

*Post Year End Board changes

Ms Gudgeon was appointed to the Board and as the Audit and Risk Committee Chair Designate and a member of the Nomination Committee, the Remuneration Committee and the Investment Committee with effect from 1 July 2021.

Ms Watson was appointed to the Board and as a member of the SED Committee and the Investment Committee with effect from 1 July 2021.

Mr Bhatt was appointed to the Board and as a member of the HSE Committee and the Investment Committee with effect from 1 July 2021.

Corporate Governance Statement

UK Corporate Governance Code compliance

Petra aims to maintain high standards of corporate governance throughout the Group. The Company looks to not only comply with all applicable governance regulations in its jurisdictions but also to meet best practice wherever possible.

Petra is not subject to a code of corporate governance in its country of incorporation, Bermuda; however, as a London Stock Exchange (“LSE”) Main Market company with a premium listing and its tax domicile in the UK, Petra is required to comply with the UK Corporate Governance Code 2018 and to explain in this statement any areas of non-compliance with the Code. At the time the Code came into force on 1 July 2018, which applied to accounting periods beginning on or after 1 January 2019, there were some areas of non-compliance. However:

1. Although Mr Hamilton has served nine years as an iNED of Petra, a length of tenure that could impair his independence according to the Code, the Board considered that he remains independent as he continued to demonstrate integrity and independence in judgement, character and action, thereby justifying its recommendation that shareholders support his re-election at last year’s AGM. Mr Hamilton will now be stepping down from the Board at the conclusion of this year’s AGM and will be succeeded by Ms Gudgeon as Chair of the Audit and Risk Committee.

2. During the Year, Ms Matloa, Chair of the SED Committee was appointed as the designated iNED to engage with the workforce. The travel and other restrictions imposed as a result of the COVID-19 pandemic curtailed any significant engagement throughout FY 2021, although Ms Matloa did attend CEO roadshow meetings with the workforce from 22-24 June 2021, which were held at each of the mines and at the Group’s head office in Johannesburg, with virtual access for those affected by COVID-19 restrictions. Once these restrictions are fully lifted, a programme for engagement with the workforce will be finalised and implemented.

As at the date of this report, the Board considers that Petra complies in full with the provisions of the Code.

Matters reserved for the Board

- Vision and strategy
- Production and trading results
- Financial Statements and reporting (supported by the Audit and Risk Committee)
- Financing strategy
- Budgets, expansion projects, capital expenditure and business plans (supported by the Investment Committee)
- Material acquisitions and divestments
- Corporate governance, ethics and culture
- Risk management and internal controls, including consideration of the Viability Statement (supported by the Audit and Risk, Remuneration and HSE Committees)
- Health, safety, social and environmental matters (supported by the HSE and SED Committees)
- Appointments and succession plans (supported by the Nomination Committee)
- Executive Director remuneration (supported by the Remuneration Committee)

Board experience (as at 12 October 2021)

9/11	2/11	9/11	11/11	8/11	2/11	10/11
MINING INDUSTRY	GEOLOGY	CAPITAL MARKETS	FINANCE	AUDIT	DIAMOND MARKETING	AFRICA

Board time in FY 2021¹

Strategy and risk	20%
Corporate and finance	40%
Operations and projects	12%
Governance, social, ethics and diversity	20%
Health, safety and environment	8%

1. This split of Board time is an estimate only and is calculated using the Board meeting agendas and rough time split allocated to each item in advance.

Corporate Governance Statement continued

The role of the Board

The Board is responsible for the long-term success of the Company. Petra's Board has the required balance of experience, skills and knowledge of the Company, as well as independence with regards to the iNEDs, to properly discharge its responsibilities and duties.

In order to fulfil its role, the Board:

- sets the Company's strategic aims, ensures that the necessary resources are in place for the Company to meet its objectives, and reviews management performance in achieving such objectives;
- provides leadership of the Company within a framework of effective systems and controls, which enable risk to be assessed and managed;
- develops the collective vision of the Company's purpose, culture, values and the behaviour it wishes to promote in conducting business and ensures that its obligations to its shareholders and others are understood and met; and
- carries out all duties with due regard for the sustainability and long-term success of the Company.

The role of the Chairman

Mr Hill:

- leads the Board and is primarily responsible for the effective working of the Board;
- in consultation with the Board, ensures good corporate governance and sets clear expectations with regards to Company culture, values and behaviour;
- sets the Board's agenda and ensures that all Directors are encouraged to participate fully in the activities and decision-making process of the Board;
- is the ultimate custodian of shareholders' interests;
- engages with shareholders and other governance-related stakeholders, as required;
- meets with the Senior Independent Director and with the iNEDs without the Executive Team present, in order to encourage open discussions and to assess the Executive Team's performance;
- identifies induction and development needs of the Board and its Committees; and
- chairs the Nomination Committee, thereby playing an important part in assessing and advising on the appropriate composition of the Board and its skill-set and also chairs the Investment Committee.

The role of the Chief Executive Officer

Mr Duffy:

- is primarily responsible for implementing Petra's strategy established by the Board and for the operational management of the business;
- leads and provides strategic direction to the Company's management team;
- runs the Company on a day-to-day basis;
- implements the decisions of the Board and its Committees, with the support of the Exco;
- monitors, reviews and manages key risks;
- ensures that the assets of the Group are adequately safeguarded and maintained;
- is the Company's primary spokesperson, communicating with external audiences, such as investors, analysts and the media;
- leads by example in establishing a performance-orientated, inclusive and socially responsible Company culture; and
- chairs the Executive Committee and is a member of the HSE and SED Committees, thereby having direct involvement in the strategic management of Petra's HSE and SED issues, including labour relations, and is also a member of the Investment Committee.

The role of the Senior Independent Director

Ms Shine (Mr Lowrie up to 17 November 2020):

- provides a sounding board for the Chairman and serves as an intermediary for the other Directors as necessary;
- is available to shareholders if they have concerns which contact through the normal channels has failed to resolve or for which such contact is inappropriate;
- leads the iNEDs in undertaking the evaluation of the Chairman's performance appraisal; and
- is a member of Petra's Audit and Risk, HSE, Nomination, Remuneration and SED Committees, thereby having oversight of the Group's material issues and opportunities, and bringing her skill-set and independent judgement to the benefit of these Committees.

The role of the NEDs

Mr Hamilton, Ms Shine, Ms Matloa, Mr Pryor, Ms Gudgeon, Mr Glowasky, Ms Watson and Mr Bhatt:

- challenge the opinions of the Executive Directors, provide fresh insight in terms of strategic direction, and bring their diverse experience and expertise to the benefit of the leadership of the Group;
- assess the performance of the Chairman;
- scrutinise the performance of the Executive Directors in terms of meeting agreed goals and objectives;
- ensure that the governance, financial information, controls and systems of risk management within the Group are robust and appropriate;
- determine the appropriate levels of remuneration of the Executive Directors; and
- provide a breadth of skills and experience to Board Committees and, in the case of iNEDs, independence.

How our Board operates

Board and Committee meetings

The full Board normally meets formally in person at least four times a year for Board meetings (though meetings in person have not always been possible during FY 2021 due to COVID-19 travel restrictions and have therefore generally been conducted using online conferencing facilities) and also speaks at other times as necessary in order to discuss operational matters and ongoing performance against the Group's development and production plans, including internal budgets and external guidance to the market. There is frequent communication between Board members outside of the set meeting dates, in order to stay abreast of business developments.

The formal Board and Committee meeting dates are scheduled to address key events in the corporate calendar and are allocated sufficient days to allow for considerable interaction by the members, both inside and outside of the formal meetings. There is a standing list of agenda items for discussion at every meeting, with extra time factored in for additional items. The agenda is agreed with the Chairman (or with the Chair of the relevant Committee) and a timeframe generally set in advance for the various items, thereby ensuring that the full agenda can be covered in the time allotted. Dinners and other social engagements are also attended by members outside of the meeting times to allow for more informal discussion of issues; this assists in clarification and engagement, meaning that consensus during the meeting is more easily attained.

Packs for the meetings are prepared by management following input on the agendas formulated by the Company Secretary and the respective Chairs and circulated electronically prior to the meeting, thereby allowing the Directors adequate time to consider the variety of issues to be presented and debated. In the minutes of the meetings, issues identified for follow-up are set out, ensuring that unresolved matters raised by the Directors are actioned and reported back in a timely manner.

In addition to formal Board and Committee meetings, the Chairman holds frequent meetings with the iNEDs during the year, enabling free discussions without the Executive Directors present.

Corporate Governance Statement continued

How our Board operates continued**Board and Committee meetings continued**

FY 2021 Board calendar

	Board meetings 17 held	Audit and Risk Committee 6 held	Remuneration Committee 6 held	Nomination Committee 5 held	HSE Committee 6 held	SED Committee 6 held	Investment Committee ¹ 1 held	Annual General Meeting 1 held
Peter Hill	17	N/A	N/A	5	N/A	N/A	1	1
Richard Duffy	17	N/A	N/A	N/A	6	6	1	1
Jacques Breytenbach	17	N/A	N/A	N/A	N/A	N/A	1	1
Varda Shine ²	17	6	6	5	6	6	N/A	1
Gordon Hamilton	17	6	6	4	N/A	N/A	1	1
Octavia Matloa ³	15	6	6	5	N/A	6	N/A	0
Bernard Pryor ⁴	15	6	6	5	6	N/A	N/A	1
Matt Glowasky ⁵	4	N/A	N/A	1	N/A	1	1	N/A
Tony Lowrie ⁶	10	1	3	2	N/A	N/A	N/A	N/A

1. The Investment Committee was constituted with effect from 10 March 2021.

2. Ms Shine assumed the role of Senior Independent Director on 17 November 2020.

3. Ms Matloa was not required to attend the 25 February 2021 Board meeting and was unable to attend the 29 April 2021 Board meeting due to it being called at short notice and conflicting with prior commitments.

4. Mr Pryor was unable to attend the 13 January 2021 Board meeting due to a prior commitment and was not required to attend the 25 February 2021 Board meeting.

5. Mr Glowasky was appointed to the Board and as a member of the SED Committee, Nomination Committee and Investment Committee on 10 March 2021, stepping down from the SED Committee and Nomination Committee on 1 July 2021.

6. Mr Lowrie retired from the Board on 17 November 2020.

Site visits

Visiting Petra's operations in person and interacting with Senior Management and employees is very important for all Board members. Annual site visits are usually arranged for the NEDs to ensure that, in addition to papers presented at Board meetings, they continue to stay informed of development and progress at the operations, as well as allowing for interaction with employees at a range of levels throughout the business and assisting with the ongoing evaluation of Company culture.

However, due to COVID-19 travel restrictions no site visits could be undertaken by the NEDs during the Year, although the Executive Directors visited the operations as part of their day-to-day business when possible.

A tour of the South African operations for the full Board is planned for May 2022, subject to COVID-19 travel restrictions.

Employee engagement

During the Year, Ms Matloa, Chair of the SED Committee, was appointed by the Board as the designated iNED to engage with the workforce. The aim of the role is to help ensure the views and concerns of the workforce are brought to the Board and taken into account in the Board's deliberations and decisions, helping the Board to understand if employees are aligned to, and able to respond to, the Company's business priorities. A formal document outlining the key principles and parameters of the role has been approved by the Board.

The Board normally has several opportunities throughout the year for employee engagement, with Director site visits, as well as informal meetings in which the Board welcomes feedback and open communication. These opportunities have been disrupted by the COVID-19 pandemic with face-to-face meetings and physical site visits restricted, however virtual tours, such as that of the CEO roadshow, were carried out to ensure that workforce engagement was maintained as far as possible. Ms Matloa attended the CEO roadshow meetings with the workforce and reported back to the Board her observations from those engagements which were generally positive, with any areas of concern duly considered.

Tenure of Directors¹

0–3 years	73%
4–9 years	18%
10–22 years	9%²

Board composition¹

Executive Directors	18.2%
Independent Non-Executive Directors	54.5%
Non-Independent Non-Executive Directors	27.3%

Directors' nationality¹

South African	4/11
British	5
American	1
German	1

Directors' gender¹

Female	36%³
Male	64%

Percentage of Petra shares held¹

Directors	0.0075%
Other	99.9925%

1. All statistics as at 12 October 2021.

2. The percentage of Directors with tenure of 10–22 years will reduce to 0 when Mr Hamilton steps down from the Board at the conclusion of the 2021 AGM.

3. The percentage of women on Petra's Board will increase to 40% when Mr Hamilton steps down from the Board at the conclusion of the 2021 AGM.

Why our Board is effective**Director commitment**

The Directors' biographies and duties can be found on pages 63 to 65. During the Year, there were no significant changes to the iNEDs' external commitments and they are considered to have sufficient time to fulfil their duties, as confirmed by the external Board evaluation, carried out in August 2020. The Non-Executive Chairman is also considered to have sufficient time to fulfil his duties.

Executive Directors may, subject to Board consent, accept external appointments to act as non-executive directors of other companies. However, the Board would reserve the right to review such appointments to ensure no conflicts of interest and that the time spent on fulfilling such obligations would not affect the respective Director's contribution to Petra. Any fees for such appointments would normally be retained by the Director concerned. Currently, none of the Executive Directors have any external appointments which affect their contribution to Petra.

The Chairman and NEDs are required to inform the Board of any proposed new directorships and a similar review process would be undertaken to ensure they can adequately fulfil their obligations as Directors of the Company.

Corporate Governance Statement continued

Why our Board is effective continued

Assessment of Director independence

Upon his appointment on 1 January 2020 and at the time of assuming the role of Non-Executive Chairman on 31 March 2020, Mr Hill was considered to be independent, in accordance with the Code.

In last year's Annual Report, the Board noted that Mr Hamilton had served nine years as an iNED as at November 2020, but that it was intended that he should remain with the Company as an iNED, Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committees for continuity purposes until the conclusion of the 2021 AGM. While the Code notes that serving over nine years could impair a non-executive director's independence, the Board considered that Mr Hamilton continued to demonstrate integrity and independence in judgement, character and action, thereby justifying its recommendation that shareholders support his re-election at last year's AGM.

The Board also considers Ms Shine, Ms Matloa and Mr Pryor to be independent in accordance with the Code. Post Year end, Ms Gudgeon was appointed to the Board and is considered to be independent in accordance with the Code. All iNEDs are independent of any relationship listed in the provisions of the Code. None of the iNEDs received any fees from the Company in FY 2021 other than their contractual iNED fees, as set out on page 124 of the Directors' Remuneration Report.

Mr Glowasky and Mr Bhatt, having been nominated by Monarch in accordance with the Nomination Agreement between it and the Company, are not considered to be independent in accordance with the Code. Similarly, Ms Watson, having been nominated by Franklin Templeton Investment Management Limited, in accordance with the Nomination Agreement between it and the Company, is not considered to be independent in accordance with the Code.

Conflicts of interest

Whilst conflicts should be avoided, the Board acknowledges that instances arise where this is not always possible. In such circumstances, Directors are required to notify the Chairman before the conflict arises and the details are recorded in the minutes. If a Director notifies the Board of such an interest, they may be, if requested by the Chairman, excluded from any related discussion and will always be excluded from any formal decision. While no such instances occurred during the Year, consideration was given to Mr Hamilton's role as a Director of an offshore subsidiary of Nedbank when discussing the process to optimise the Company's capital structure, which involved the South African Lender Group (including Nedbank Limited) as a key stakeholder. However, in each instance it was noted in the relevant Board meeting minutes that Mr Hamilton was not connected in any way to the business of the meeting as the offshore subsidiary he is a Director of has no involvement in commercial lending activities in South Africa.

Process used in relation to Board membership, succession planning and appointment process

Petra's Nomination Committee is responsible for reviewing the skills, expertise, composition and balance of the Board on an ongoing basis as part of the Company's succession planning. When considering new appointments, a brief is prepared and an independent external search agency is utilised to identify potential candidates. Read more about the work of the Nomination Committee on pages 105 to 107.

Director induction, information, training and development needs

Detailed knowledge of the specialist world of diamonds (including diamond marketing), the global mining industry, international capital markets, applicable UK legislation/LSE regulation, Sub-Saharan Africa (particularly South Africa), ESG matters and Petra's unique business and operations is crucial to the Board's ability to effectively lead the Company.

Petra has an induction programme designed to bring new Directors up to speed as quickly as practicable, following their appointment to the Board. Such an induction would typically involve meetings with the Board and various members of Senior Management and an information pack of all necessary corporate documents, including the Company's latest Annual Report, ESG and Sustainability Report, the Bye-Laws, Committee Terms of Reference and other key Group policies, such as the Group Code of Ethical Conduct and the Anti-Bribery Policy, enabling them to familiarise themselves with the Group, its procedures and current activities. A site visit to one or more of the Group's key operations is held as soon as possible, to provide the new Director with further information on the operations, including production/expansion plans and key ESG considerations.

Case Study: New Directors' induction

Strategy in action

Work responsibly

Upon appointment, Mr Glowasky, Mr Bhatt, Ms Gudgeon and Ms Watson each underwent the Company's induction programme, which was led by the Group's Corporate Communications team and Company Secretary. The aim of the programme is to provide a suitable introduction to the Company, its operations and marketplace, as well as its governance standards, values and culture.

The induction programme involved:

- a Director induction pack, including (amongst other things) Company policies, reports, Board and Committee minutes, Board objectives, the Petra Group structure, the Group risk register, latest analyst and ratings agency notes, and latest diamond market reports and resources;
- meetings with Directors and management at different levels of the business;
- dedicated teach-in sessions on (1) the Group's operations, (2) the diamond market and the Group's sales process and (3) legal and regulatory responsibilities for directors of companies incorporated in Bermuda with a premium listing on the Main Market of the London Stock Exchange; and
- an introduction to the Group's key advisers.

In addition, the induction programme usually includes a tour of the South African operations and corporate office in Johannesburg but due to travel restrictions as a result of the COVID-19 pandemic, it has not been possible for this to take place. However, a tour of the South African operations is planned in May 2022 for the full Board.

Values in action

Let's do it right

Let's take control

Peter Hill, Chairman, commented:

"I would like to welcome Matthew, Johannes, Deborah and Alex to the Board of Petra; together they bring a wealth of experience, complementing those of our existing Directors, and their appointments leave the Board well placed to take the company forward. We remain committed to improving diversity levels from top down, noting the benefits a broad mix of expertise, skills and diversity can bring to our performance, and look forward to their varied contributions to our strategic outlook and decision-making processes."

In order to ensure that existing Board members retain the relevant and up-to-date knowledge and skill-set to properly discharge their duties, ongoing training and other professional development opportunities are provided by the Company and/or the Directors attend external courses and conferences on their own professional behalf. Training is arranged as appropriate to suit each Director's individual needs and covers topics such as industry developments, governance, technical subjects related to diamond mining, communication strategies and ESG matters. The Chairman reviews and agrees with each Director their training and development needs. Board training on specific topics is requested by the Board members and then provided by a specialist at the Board meeting.

During the Year, the Board received formal training by an independent external adviser on (1) legal and regulatory responsibilities for Directors in respect of the Restructuring and (2) the VPSHR.

The Company's Corporate Communications team acts as a conduit of regular information to the Board and Senior Management, providing daily briefings by email on relevant topics, such as key diamond industry trends, peer group developments, regulatory updates and socio-economic information about Petra's countries of operation, as well as internal Company news.

The Board has access to the advice and services of the Company Secretarial function as required.

Corporate Governance Statement continued

Why our Board is effective continued**Director induction, information, training and development needs continued**Case Study – Board Training in FY 2021**Continuing Obligations Training**

As part of its commitment to high standards of Corporate Governance, during FY 2021 a Directors' teach-in was hosted in order to assist the Directors in understanding of their responsibilities and duties as a director of a company incorporated in Bermuda with a premium listing on the Main Market of the London Stock Exchange.

This was of particular importance given the Restructuring and a significant amount of time was spent covering various topics, including, amongst others, responsibilities for the contents of the combined circular and prospectus in the Restructuring and ongoing responsibilities under the Bermuda Companies Act 1981, the UK Market Abuse Regulation and the UKLA's Listing Rules. The Board also refreshed their understanding of the UK Corporate Governance Code 2018.

Voluntary Principles Security and Human Rights training

One of the actions taken by the Company to address the shortcomings identified by the Tunajali Committee in relation to the alleged breaches of human rights at the Williamson mine in Tanzania was a VPSHR awareness campaign, targeting PDL and WDL Executives and Senior Managers, as well as the entire security teams at both Group and mine level in Tanzania and South Africa.

At Director level, the Board members attended a dedicated training session in June 2021, which included:

- Background on the VPSHR
- What companies should do under VPSHR in terms of:
 - Policy and commitment
 - Risk assessment
 - Addressing Incidents
 - Use of private and public security
 - Engagement and awareness
 - Monitoring, reporting and continuous improvement

The training considered both short-term actions as well as long-term challenges and was hosted by Synergy, an independent specialist international consulting company with over 20 years' experience working with companies, governments and community-based organisations. The consultancy has been appointed to provide specialist external support in the development of processes involved in relation to the community and remedial programmes following the allegations of human rights breaches at Williamson.

Strategy in action

Work responsibly

Values in action

Let's do it right

Let's do it better

Evaluation of the Board's performance

Board evaluation

In August 2020, the Board undertook an externally facilitated evaluation of its own performance and that of the Board Committees, using Donata Denny, an independent and highly respected Leadership Coach and Professional Development Adviser. The evaluation consisted of each Director completing a focused questionnaire, a one-on-one confidential interview with the external facilitator and then a facilitated Directors' workshop to discuss the outcomes and findings, to be taken forward during the Year.

The evaluation of the performance of the then new Chairman was undertaken by Mr Lowrie, the Senior Independent Director at the time, in conjunction with his Board colleagues. The Directors welcomed the appointment of the new Chairman together with his leadership, and valued his experience, as the Board had to focus increasingly on the Company's financial position.

The results of this Board evaluation were reported on in the FY 2020 Annual Report and the key themes and how they were addressed in FY 2021 are repeated below. Due to the significant recent changes to the composition of the Board and its committees, it has been decided to hold a new external Board evaluation in H1 FY 2022, in order to gauge how the newly enlarged Board is operating and to identify areas for improvement and development. The results of the new external evaluation will be reported on in the Company's FY 2022 Annual Report.

One major theme of the previous external evaluation was Board development and the way in which it was conducted. This covered three areas, as set out below:

- First, the composition of the Board was further developed. Dr Bartlett, iNED, retired on 30 June 2020 after serving nine years. He remains a Technical Consultant to the Board, Audit and Risk Committee, HSE Committee and Management given his world-class expertise in kimberlite geology and block and sub-level caving. Mr Lowrie retired on 17 November 2020, after serving nearly nine years and the Senior Independent Director role was assumed by Ms Shine. It was also agreed by the Board that Mr Hamilton, iNED and Chair of the Audit and Risk Committee, notwithstanding having been a Director for nine years, was still considered by the Board to be independent and in order to provide continuity would continue to serve as Chair of the Audit and Risk Committee until the FY 2021 AGM when he would retire, with a search for his replacement as Committee Chair to be commenced in CY 2021. Consequently, Ms Gudgeon was appointed as an iNED and Audit and Risk Committee Chair Designate on 1 July 2021 and will work closely with Mr Hamilton until the FY 2021 AGM in order to succeed him at that time as Chair of the Audit and Risk Committee. Together with the three Director appointments made in FY 2019 (new Chief Executive and two new iNEDs) the appointment of a new Chairman of the Board in FY 2020, and the appointments of Mr Glowasky (in FY 2021), Mr Bhatt and Ms Watson (both in FY 2022), the Board has been considerably refreshed.
- Second, in a change to previous practice, at the start of FY 2021 all iNEDs are now serving on the Nomination, Audit and Risk and Remuneration Committees, with the exception of the Non-Executive Chairman who is solely a member of the Nomination Committee (as Chair). This is expected to bring greater cohesion and transparency to these key Board Committees.
- Third, in a review of Directors' remuneration conducted by the Chairman and the Chair of the Remuneration Committee, fees for chairing all of the Board Committees were reduced from the start of FY 2021.

The above-mentioned changes constitute a major reconfiguration of the Board and its Committees and could have caused tensions; Directors felt that these had generally been conducted in a collaborative and transparent manner.

The second major theme of the Board evaluation concerned an evaluation of Board dynamics during the lockdowns and other restrictions imposed on people by the COVID-19 pandemic.

This meant that Board members were unable to meet face-to-face and thus Board and Committee meetings had to be held 'virtually', including with advisers. Even just the latter would put a strain on normal Board dynamics; doing this during the financial pressure the Company was under made this even more challenging, particularly as the frequency of Board, Committee and sub-committee meetings increased significantly during Q4 FY 2020 and throughout FY 2021, as the Company went through a period of intense discussions with its financial stakeholders in order to achieve the consensus required to complete the Restructuring. The intensity of this period is evident in the number of Board meetings during the Year increasing to 17 (FY 2020: nine).

Notwithstanding these pressures, the Board was felt to have functioned well, with the iNEDs continuing to provide oversight and support to the Executive Directors during these challenging times.

The following areas of improvement and development were identified for FY 2021; however, it should be noted that the aspiration to resume more personal contact remained severely impaired throughout most of the Year by the ongoing impact of the COVID-19 pandemic:

- the resumption of in-person Board and Committee meetings when COVID-19 restrictions are lifted, while maintaining and improving further the collaborative nature of the Board's working fostered during lockdowns and COVID-19 restrictions. In-person Board and Committee meetings resumed in May 2021 as far as possible and will continue where feasible;
- the resumption of Directors visiting mines, facilities and offices, which were suspended during lockdown, to re-familiarise themselves with the grassroots of the business. Visits by the NEDs were not possible during FY 2021. However, a tour of the South African operations is planned for the full Board in May 2022;
- Directors re-engaging with managers and the workforce, having understandably become more distant from the Company's workforce during lockdown; this was carried out as far as possible and where restrictions remained in place virtual CEO and employee tours were organised;
- re-engaging on Company strategy and portfolio development, having been more short-term focused during FY 2020 due to the effects of COVID-19 including diamond market disruption, as well as the short-term pressures caused by the Restructuring; and
- developing and enhancing Board dynamics and corporate governance standards and processes once the new Board is in place following the completion of the Restructuring.

Corporate Governance Statement continued

Board strategy and performance

The Company's strategy is to further develop its stature as a leading independent diamond miner with a focus on working responsibly, achieving consistent delivery and driving optimisation. The Board's objectives in order to assist the Company in the furtherance of its strategy are set out below.

Objectives for FY 2021	Progress in FY 2021	Objectives for FY 2022
Strategy and operations		
Safety of all Petra people will continue to be the Company's top priority and closely monitored by the Board and the HSE Committee.	Safety is the first operational item discussed at every Board meeting and received significant attention throughout the Year. While the Group's LTIFR rose to 0.44 (FY 2020: 0.29), the number of total injuries, including those that did not result in a lost shift, reduced by 7% to 42.	Safety of all Petra people will continue to be the Company's top priority and performance in this regard, including the specific KPIs set for FY 2022, will remain closely monitored by the Board and the HSE Committee, as Petra strives to reach its objective of a zero harm workplace.
Regular monitoring to assess the implementation and delivery of Project 2022 initiatives at all operations, despite the disruptions caused by the COVID-19 pandemic.	Project 2022 is mainly driven by throughput initiatives and the elimination or mitigation of bottlenecks in production processes, which led to Cullinan recording its highest level of production under Petra stewardship; however, Finsch and Koffiefontein recorded lower than anticipated production for the Year (read more in the Operational Review on pages 34 to 39). The Project 2022 focus during the Year also included the sustainable optimisation of the Company's cost structure.	Regular monitoring to assess the ongoing impact of Project 2022 and the Organisational Design Review on the operating margins of the business, as well as monitoring of the re-engineering projects initiated at Finsch and Koffiefontein.
Continue to closely monitor the Company's financial position based on the prevailing uncertainty in the business environment afforded by the COVID-19 pandemic. Continue to review the asset portfolio of the business with a view to maximising return on capital and to ensure that all assets are in a position to contribute positive cashflow to the business.	Following the strategic review in conjunction with a set of independent advisers, in order to evaluate an optimal long-term capital structure for the Group, the Restructuring (the key terms of which are set out on page 32) was deemed by the Board and its advisers to offer the best value to all stakeholders. The Williamson mine continued on care and maintenance in order to protect the mine's liquidity, due to the lower diamond price environment. The Company chose to exit its exploration operations and announced the sale of its exploration assets in Botswana.	Re-engagement on long-term strategy which had understandably been more short-term focused in FY 2020 and FY 2021 due to the pressures caused by the COVID-19 pandemic and the Company's Restructuring.

Objectives for FY 2021	Progress in FY 2021	Objectives for FY 2022
Strategy and operations continued		
<p>Continue to improve the mechanisms by which the Board receives feedback from the Company's broad range of stakeholders.</p> <p>Implementation of clear and formal systems to facilitate Board/workforce engagement.</p>	<p>The Board receives relevant reports from management, including feedback on stakeholder engagement, covering topics such as shareholder and noteholder feedback, labour relations, community engagement and social matters.</p> <p>Ms Matloa was appointed as the designated iNED for workforce engagement. The key principles and parameters of the role were set out in a document approved by the Board.</p> <p>A new Head of Human Resources was appointed to facilitate communication between management and the Board.</p> <p>Review and overhaul of the Group's stakeholder engagement and management policy framework in order to ensure more effective and accountable stakeholder relations, as well as the implementation of an OGM with a Standard Operating Procedure customised and introduced at each operation.</p>	<p>To continue to monitor the progress and impact of the stakeholder engagement, grievance mechanisms and remedial actions taken at the Williamson mine, and Group-wide, following the findings and recommendations of the Tunajali Committee in FY 2021.</p> <p>To report the progress of the aforementioned items to provide greater openness and awareness to all stakeholders and their associated communities.</p> <p>To reinstate more regular Director site visits (with a site visit planned for May 2022, subject to COVID-19 travel restrictions), to afford the opportunity for direct engagement with a range of stakeholders, including employees at different levels within the Group.</p>
<p>As part of the ongoing evolution of the Group, which has seen leadership change and a strategic review of the business, reconsideration of the purpose, vision, values and culture of the Group, taking into account stakeholder interests and views.</p>	<p>The Organisational Design Review continued, as well as an ongoing evaluation of the Company's corporate culture. Information on these processes was presented to and considered by the Board.</p> <p>Certain change initiatives are considered important tools to assist in re-establishing a culture within Petra that is aligned to its values – read more in our 2021 ESG and Sustainability Report pages 38 to 39.</p> <p>When making any decisions the Company purpose, culture and reputation are kept in mind by the Board.</p>	<p>Implementation of the items identified in the Organisational Design Review – including updated role descriptions to provide clearer line of site and improved accountability.</p> <p>Implementation of the business' reconsideration of the purpose, vision, values and culture of the Group, taking into account stakeholder interests and views. In this regard, the Exco has identified a set of key business drivers to be focused on to deliver the purpose and vision and will now look to embed these across the Group in FY 2022.</p>
Board composition		
<p>Continue to consider the optimal Board, Committee and Senior Management structures, bearing in mind the benefits of a broad mix of expertise, skills and diversity.</p> <p>Plan for the successor for the role of Chair of the Audit and Risk Committee, following the planned retirement of Mr Hamilton from the Board at the conclusion of the FY 2021 AGM.</p> <p>Ongoing consideration of succession planning, both for the Board and the other Senior Management structures.</p>	<p>Ms Shine was appointed Senior Independent Director upon the retirement of Mr Lowrie on 17 November 2020.</p> <p>Ms. Gudgeon was appointed as an iNED on 1 July 2021 with the aim of succeeding as Chair of the Audit and Risk Committee, following the planned retirement of Mr Hamilton from the Board at the conclusion of the FY 2021 AGM.</p> <p>The appointment of Mr Glowasky on 10 March 2021 and the appointments of Mr. Bhatt and Ms Watson as NEDs post Year end.</p> <p>The formation of the Investment Committee to assist the Board with the monitoring of significant capital and other investments.</p> <p>Implementation commenced of the Group's Diversity and Inclusion Policy.</p>	<p>Continue to consider the optimal Board, Committee and Senior Management structures, bearing in mind the benefits of a broad mix of expertise, skills and diversity.</p> <p>Ongoing consideration of succession planning, both for the Board and the other Senior Management structures, bearing in mind diversity.</p>

Corporate Governance Statement continued

Board strategy and performance continued

Objectives for FY 2021	Progress in FY 2021	Objectives for FY 2022
Risk management		
<p>Planning to commence on the next three-year Internal Audit Plan cycle, which is expected to make significant progression due to the input of the Company's ERM and Combined Assurance function, which will enhance the Company's already well-established risk management processes.</p>	<p>The Internal Audit Plan for FY 2021 considered the key business risks as highlighted in the Company's risk registers. Risks are reported on a quarterly basis, highlighting risk movements, emerging risks and mitigation plans. Risk assessment is an ongoing process not an event.</p> <p>The ERM and Combined Assurance function carried out an enterprise-wide and 'bottom-up' risk relevance testing, assessment and aggregation which was then integrated into the Group's risk register.</p>	<p>Ensure that the annual Internal Audit Plan addresses the key business risk areas that can be mitigated by Internal Audit reviews. This will be backed up by Internal Audit's ongoing collaboration with the Company's ERM and Combined Assurance and continual assessment of changes to the Group's risk register.</p>
<p>Continue to consider the key risks that are relevant to the Petra Group, ensuring the possible effect of such risks and plans for the mitigation thereof are fully understood and continually actioned by the Board and Senior Management, including an annual review of the Group's risk register.</p>	<p>A new ERM and Combined Assurance Plan was operationalised, which included a Group Risk and Assurance Policy Statement and Group Risk Policy and Framework. The Company's ERM and Combined Assurance function reviews and reports on key risks on a quarterly basis to the Exco. This includes the Group's risk register which includes a 'bottom up' Group-wide review and the development of specific risks.</p>	<p>The new ERM and Combined Assurance Plan Quarterly reporting to the Exco and the Board will continue.</p>
<p>In conjunction with the Exco, to operationalise the new ERM and Combined Assurance Plan, which includes a Group Risk and Assurance Policy Statement, and Group Risk Policy and Framework as well as Risk Methodology Policy. Quarterly reporting to the Exco and the Board will continue.</p>	<p>The Company's COVID-19 response was monitored and considered to be effective.</p>	<p>Continued review of effectiveness of the COVID-19 pandemic response across the Group including, amongst other things, evaluating the Company's emergency response policies and procedures, as well as assessing and mitigating the impact of the pandemic on the health and wellness of the Company's employees.</p>
<p>Review of the effectiveness of the COVID- 19 pandemic response across the Group as a way of evaluating the Company's emergency response procedures.</p>	<p>The Tunajali Committee presented its findings further to the external investigation into the allegations of human rights abuses in Tanzania to the Board. This resulted in the implementation of remedial actions and an agreement was reached with claimants, on a no admission of liability basis.</p>	<p>Continue to monitor the implementation of initiatives taken in order to redress and reduce risks of alleged human rights incidents in the future.</p>
<p>Monitoring of the external investigation into the allegations of human rights abuses in Tanzania. The outcome of the investigation will inform how the matter proceeds thereafter.</p>		

Objectives for FY 2021	Progress in FY 2021	Objectives for FY 2022
Board process		
Hold an internal Board evaluation process in FY 2021, with an external evaluation to occur at least once every three years.	An external Board evaluation process was carried out in FY 2021 by independent consultant Donata Denny. An overview of the results is included on page 75. Given the significant changes to Board composition recently, the Company considers it appropriate to carry out a new external Board evaluation in H1 FY 2022, the results of which will be reported in the Company's FY 2022 Annual Report.	An external Board evaluation process will be repeated in FY 2022, given the changes to Board composition.
Continue to assess the Directors' training needs and to provide relevant training opportunities to the Directors in order to ensure that all Board members stay abreast of relevant developments.	Board training was provided for the onboarding of new Directors. Training sessions for the Board on Continuing Obligations and VPSHR were carried out virtually – read more on page 74.	Continue to assess the Directors' training needs and to provide relevant training opportunities to the Directors in order to ensure that all Board members stay abreast of relevant developments.
Continue to keep the Board regularly updated about operating conditions, the Company's financial position and the wider diamond market, bearing in mind the uncertain business environment afforded by the COVID-19 pandemic.	The Board was provided with regular operating, market and liquidity updates.	Continue to keep the Board regularly updated about operating conditions, the Company's financial position and the wider diamond market, bearing in mind the uncertain business environment afforded by the COVID-19 pandemic.
Arrange at least one annual visit for the full Board to the Group's operations.	A full Board visit was not undertaken in FY 2021, due to travel restrictions as a result of COVID-19. However, a number of site visits to certain operations were made by various Directors during FY 2021 as set out on page 70, as well as the initiation of virtual tours, such as that of the CEO roadshow which was attended by and reported on by Ms Matloa.	A tour of the South African operations is planned for the full Board in May 2022, subject to COVID-19 travel restrictions.

Corporate Governance Statement continued

IR strategy

Investor relations (“IR”) calendar for FY 2021		
July	FY 2020 Trading Update	Publication
October	Q1 FY 2021 Trading Update	Investor/analyst conference call
November	FY 2020 Results	Publication
	Annual and Sustainability Reports published	Report publication
December	Annual General Meeting	Virtual meeting
January	Special General Meeting	Virtual meeting
	H1 FY 2021 Trading Update	Publication
February	H1 FY 2021 Interim Results	Investor/analyst presentation and webcast
	Investor roadshow	Virtual Investor one-on-one meetings
	Participation in industry investor conference, Tanzania	Virtual Conference
March	Participation in industry investor conferences	Virtual conferences
	Completion of Restructuring	Publication
April	Q3 FY 2021 Trading Update	Investor/analyst conference calls
May	Participation in industry investor conference	Virtual conference
June	Participation in industry investor conference	Virtual conference

Investor relations is an essential aspect of the Company’s corporate communications strategy. The aim of Petra’s IR programme is to ensure that the Company’s business model, strategy, operational and financial performance and future prospects are clearly understood by the investment community both in the UK and internationally.

The Company achieves this by operating with a high level of transparency with regards to its historical, current and future operations, by providing consistent information and messages across a number of communication channels and by using clear language that aims to explain the investment story and ensure that it is easy to understand for a wide range of audiences.

Petra continues to support an open and transparent dialogue with shareholders and other financial stakeholders, thereby ensuring that their needs and objectives and their views on the Company’s performance are understood, as well as demonstrating the high emphasis placed on engagement and shareholder value by the Board.

The Group’s corporate website, www.petradiamonds.com, aims to provide investors with the required information to potentially make an investment decision; however, the Company also provides a wide range of information to assist other stakeholders and makes available Petra’s Annual and ESG and Sustainability Reports via this medium. The website is regularly reviewed and updated with new information.

Recognising the growing importance of social media both in terms of news dissemination and in terms of providing an alternative communications channel to stakeholders, Petra continues to develop its presence through its LinkedIn and Twitter channels. The Company also publishes updates on Facebook and Instagram, but these channels are focused primarily on employee and other local community stakeholders.

IR activity

Petra has a dedicated in-house Corporate Communications team based in London to ensure that any investor query or concern is responded to and dealt with efficiently and in a timely manner. Petra’s Corporate Communications team regularly provides feedback to management as well as all members of the Board on shareholder and analyst communication and ensures that analyst research notes are circulated as received. A monthly IR report covering Petra trading in relation to its peers, an overview of IR activity and investor feedback, analyst forecasts, share register movements and bond performance is distributed monthly to the Board and a quarterly IR presentation is included for review at Board meetings.

As part of Petra’s proactive investor relations approach, the Chief Executive, Finance Director and Corporate Communications team commit time to hold regular formal and informal meetings in person and via telephone with the Company’s shareholders, bondholders and potential investors, in addition to twice yearly roadshows, which coincide with the publication of Petra’s interim and annual results. The Company also normally hosts results webcasts at least twice a year, which are broadcast live on the Company’s website to ensure that all shareholders can participate in the presentation, regardless of their location, and are available to access thereafter at www.petradiamonds.com/investors/financial-events-calendar/. Furthermore, regular meetings are arranged with sell-side analysts and broker sales teams.

In addition, the Chairman is available to meet with shareholders as required and the iNEDs are normally provided with opportunities to meet with shareholders throughout the year. Petra's Senior Independent Director is available to shareholders to address concerns that contact with the Chairman, Chief Executive or Finance Director failed to resolve, or for which such contact was inappropriate.

As part of the Company's commitment to ensuring effective shareholder communications, the Chairman and Senior Independent Director normally carry out a governance roadshow every two years. However, the governance roadshow planned for FY 2020, which would also have served to introduce the new Chairman to Petra's top shareholders, has been placed on hold for the time being due to the COVID-19 pandemic.

Petra also normally hosts one formal investor/analyst site visit per year, with additional smaller ad hoc visits arranged as required or requested. These are due to be reinstated once it is considered safe to do so in relation to the COVID-19 pandemic. Such visits are considered an essential part of the Company's IR programme as seeing one of the operations in person is the best way for an investor/analyst to understand the scope and scale of Petra's assets, as well as the depth of operational management on site and the passion of Petra's people.

FY 2021 shareholder engagement

During FY 2021, the Company's Chief Executive and corporate communications team held 126 virtual one-on-one and group investor meetings. In addition, the team offered to meet via conference call with all of the active managers within the Group's top 20 shareholders following the Restructuring and the Q4 Trading Update.

The main recurring themes and issues raised by shareholders during the Year centred on:

- Petra's operational performance, particularly with regard to Cullinan's outperformance and progress with regards to waste ingress and excess water owing to heavy rainfall at Finsch;
- Petra's business efficiency programme, Project 2022, and its ability to meet its targets;
- Petra's balance sheet and capital structure following the Restructuring. The Company's ability to generate free cashflow and to meet its debt facility covenants and its liabilities as they fall due (read more on pages 28 to 33);
- the outlook for the diamond market and expectations with regards to Petra's diamond sales and pricing (read more on pages 18 to 22);
- the Company's response and actions taken following the allegations of human rights abuses at Williamson (read more on pages 45 and 46);
- the impact of COVID-19 on the Company's operations and the diamond market (read more on pages 18 to 22);
- the blocked Williamson parcel and VAT receivables in Tanzania, the ongoing discussions with the Government and how this will impact the reopening of the mine following it being placed on care and maintenance on 9 April 2020 (read more on page 85);
- the volatility of the ZAR: USD exchange rate and the impact on Petra's financial position (read more on page 99);
- laboratory-grown gem diamonds and how these affect the market for natural diamonds (read more on page 98); and
- the Company's next steps following the conclusion of the Restructuring.

Reporting

Petra's objective with regards to external reporting (via its Annual Report and ESG and Sustainability Report and supported by its website) is to provide a high level of transparency, in order to set out a clear picture of the Group's past performance and its potential future prospects. To this end Petra has aimed to provide a high level of disclosure, particularly across the area of ESG and sustainability, having produced detailed standalone Sustainability Reports for the last ten years.

Corporate Governance Statement continued

Annual General Meeting (“AGM”)

The FY 2020 AGM was held as a closed meeting due to the restrictions imposed as a result of the COVID-19 pandemic but shareholders were given the opportunity to participate remotely and vote electronically.

Results of our FY 2020 AGM

A summary of the proxy voting for the AGM was made available via the London Stock Exchange and on the corporate website as soon as reasonably practicable on the same day as the meeting.

		Total votes for (as a % of votes cast)	Total votes against (as a % of votes cast)	Votes withheld (as a % of total shares with voting rights)	Total number of votes withheld
1	Statutory accounts	100.00	0.00	0.001	9,079
2	Approve Directors’ Remuneration Report	99.98	0.02	0.001	9,010
3	Approve Directors’ Remuneration Policy	99.98	0.02	0.001	9,010
4	Re-appointment of BDO LLP as auditors	99.99	0.01	0.001	9,079
5	Authority to fix the remuneration of the auditors	99.99	0.01	0.001	9,010
6	Re-election of Mr Duffy	99.98	0.02	0.001	9,079
7	Re-election of Mr Breytenbach	99.98	0.02	0.001	9,079
8	Re-election of Ms Shine	99.98	0.02	0.001	9,079
9	Re-election of Mr Hamilton	99.98	0.02	0.001	9,010
10	Re-election of Ms Matloa	99.98	0.02	0.001	9,079
11	Re-election of Mr Pryor	99.98	0.02	0.001	9,079
12	Election of Mr Hill	99.98	0.02	0.001	9,079
13	Approval of increase in authorised capital	99.98	0.02	0.001	9,079
14	Authority to allot relevant securities	99.98	0.02	0.001	9,010
15	Disapplication of pre-emption provisions	99.98	0.02	0.001	9,079