

Gemfields Group

KING IV CHECKLIST – MARCH 2021

GEMFIELDS



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Principle	Compliant – have the disclosures been met? Yes/No	Disclosures still to be met (disclosures that have been met are not included here)
<p>1. Leadership</p> <p>The governing body should lead ethically and effectively</p> <p>The Board’s deliberations, decisions and actions are based on the following characteristics:</p> <p>Integrity The members of the Board must act to avoid conflicts of interest.</p> <p>Competence The Board must ensure that they have sufficient working knowledge of the Company and its industry as well as the key laws, rules, codes and standards applicable to the Company.</p> <p>Responsibility The Board must assume a collective responsibility for steering and setting direction of the organization planning, overseeing and monitoring implementation and execution by management of the Company and ensuring accountability for organisational performance.</p>	<p>Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p>N/A</p>

<p>Fairness The members of the Board must take a stakeholder-inclusive approach and direct the organization in such a way that it does not adversely affect the natural environment, society or future generations.</p> <p>Transparency The members of the Board must disclose information in a manner that enables stakeholders to make an informed analysis of the Company's performance and sustainability.</p>		
<p>2. Organisational Ethics</p> <p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture</p>	<p>No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p><i>The following disclosures have not been met:</i></p> <p>1. <i>Planned areas of future focus.</i></p> <p><i>In order to comply with the disclosures, the Risk Council should consider making a minuted comment in March 2021 on the planned areas of future focus.</i></p>
<p>3. Responsible Corporate Citizenship</p> <p>The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen</p>	<p>No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p><i>The following disclosures have not been met:</i></p> <p>1. <i>Measures taken to monitor corporate citizenship and how the outcomes were addressed;</i></p> <p><i>In order to comply with the disclosures, the Risk Council should consider making a minuted comment in March 2021 on the above.</i></p>

<p>4. Strategy and Performance</p> <p>The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process</p>	<p>Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p>N/A</p>
<p>5. Reporting</p> <p>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organization's performance, and its short, medium- and long-term prospects</p>	<p>Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p>N/A</p>
<p>6. Roles and Responsibilities of the governing body</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organization</p>	<p>Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p>N/A</p>
<p>7. Composition of the governing body</p> <p>The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively</p>	<p>Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p><i>Side note – during 2021 the independence of directors will continue to be evaluated and confirmed.</i></p> <p><i>In addition, under King IV the governing body should set targets for race and gender representation. In 2020 a Board Diversity Policy (the "Policy") was adopted by the Board. Under the Policy the Board are committed to appointments based on merit, taking into account the specific experience, knowledge, and independence needed to ensure a rounded</i></p>

		Board and the benefits diversity brings. The Board may set targets for race and diversity, but there are none in place currently
<p>8. Committees of governing body</p> <p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of duties</p>	No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.	<p><i>The following disclosure has not been met: Paragraph 5.3.59, King IV regarding audit committee considerations. Appropriate compliant disclosure should be considered at March 2021 meetings.</i></p>
<p>9. Evaluations of the performance of the governing body</p> <p>The governing body should ensure that the evaluation of its own performance and that its Committees, its chairs and its individual members, support continued improvement in its performance and effectiveness</p>	No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.	<p><i>Disclosures that have not been met:</i></p> <p>During 2020 the Board approved a Board Performance Evaluation Policy for the assessment of the performance of each Director and Board Committee (including the Chairman). In order to meet the disclosure requirements the Board should set out the following:</p> <ol style="list-style-type: none"> <i>1. A description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal; and whether they were externally facilitated or not.</i> <i>2. An overview of the evaluation results and remedial actions taken.</i> <i>3. Whether the governing body is satisfied that the evaluation process is improving its performance and effectiveness.</i> <p>The first Board evaluation will commence towards the end of the second quarter of 2021. A specialist third party agency will be engaged to conduct the evaluation.</p>

<p>10. Appointment and delegation to management</p> <p>The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities</p>	<p>Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p>N/A</p>
<p>11. Risk Governance</p> <p>The governing body should govern risk in a way that supports the organization in setting and achieving its strategic objectives</p>	<p>Yes – all the disclosures set out in Paragraph 5.4.9, King IV Code on Corporate Governance have been met.</p>	<p>N/A</p>
<p>12. Technology and information governance</p> <p>The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives</p>	<p>Yes – the broad principles and disclosures set out in the Paragraph 5.4.17 on Corporate Governance have been met.</p>	<p>N/A</p>
<p>13. Compliance Governance</p> <p>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organization being ethical and a good corporate citizen</p>	<p>No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.</p>	<p><i>The following disclosures have not been met:</i></p> <ol style="list-style-type: none"> <i>1. Actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed.</i> <p><i>In order to comply with the disclosure, both Kagem and MRM considered appointing in-house lawyers during 2020 to sit on-site at the mines, While these individuals will not be dedicated compliance officers, part of their function will be to assist with compliance matters. Given the COVID-19 pandemic, the</i></p>

		<i>appointments were put on hold. Subsequently, an in-house lawyer was engaged at MRM and will be onboarded from February 2021.</i>
14. Remuneration Governance The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	Yes – the broad principles and disclosures set out in the King IV Code on Corporate Governance have been met. It should be noted that recent Remuneration Policies have not gained the approval from 75% or more of shareholders and, in line with the Principle, the Board and its sub-committees have suitably engaged with those dissenting shareholders.	N/A
15. Assurance The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organization's external reports	No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.	<i>The following disclosure has not been met: Paragraph 5.3.59, King IV regarding audit committee considerations. Appropriate compliant disclosure should be considered during March 2021 meetings.</i>
16. Stakeholders In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organization over time	No – not all the disclosures set out in the King IV Code on Corporate Governance have been met.	<i>The following disclosures have not been met:</i> <ol style="list-style-type: none"> 1. <i>Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed.</i> <i>In order to comply with the disclosures, the Risk Council should consider making a minuted comment in March 2021 on the planned areas of future focus.</i>

<p>17. Institutional Investors</p> <p>The governing body of an institutional investor organization should ensure that responsible investment is practiced by the organization to promote the good governance and the creation of value by the companies in which it invests</p>	<p>N/A</p>	<p>N/A</p>
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GEMFIELDS

1 CATHEDRAL PIAZZA
LONDON SW1E 5BP
UNITED KINGDOM
T: +44 20 7518 3419
