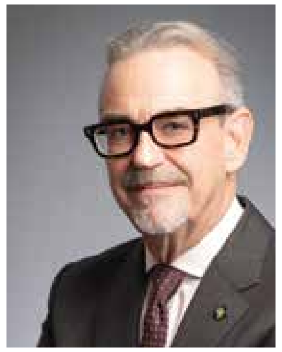
REMUNERATION COMMITTEE

The Committee believes that the remuneration policy is appropriate to motivate and reward senior Executives and align their interests with the Group's purpose and values as well as the interests of the shareholders.

STRUCTURE



Michael Lynch-Bell

Chairperson

Non-Executive Director

FOCUS AREAS 2021

- Adoption of the 2021 remuneration policy to ensure robust and motivational incentives.
- Employee remuneration and related policies and the alignment of incentives and rewards with culture and strategy.
- The link of appropriate ESG measures to executive pay.
- Performance conditions and targets for incentive plans given the impact of COVID-19 and the focus on stabilisation and business recovery.
- The composition of the total reward package for the Group and any constituent parts which could have discouraged the promotion of individuals from minority groups.
- Implementation of a post-termination shareholding policy.
- Gender pay data to establish whether pay gaps are present.
- The most effective way to engage with employees on how executive pay aligns with the Group's strategy and the wider employee group.
- Re-evaluate alignment of executive pension contributions to that of the wider employee group.

FUTURE FOCUS AREAS 2022

- Understand how the Group's compensation programmes consider employees' needs beyond fair and equitable remuneration.
- Review the effectiveness of current ESG metrics linked to executive pay and consider whether further Human Capital Management (HCM) topics are material to the business and should be monitored.
- Given the changing responsibilities of the Committee, review its composition, terms of reference and operation.
- Consider whether Diversity, Equity and Inclusion (DE&I) metrics should be linked to executive pay.
- Engagement with employees through formalised structures on executive pay and how it supports strategy.

ANNUAL STATEMENT

Dear shareholders

On behalf of the Board, I am pleased to present the Remuneration Committee's Directors' Remuneration Report for 2021. The report is presented in three sections: this Annual statement, the Directors' Remuneration Policy (page 122) and the Annual Report on Remuneration (page 129).

Linking Executive Directors' remuneration with our purpose and strategy

Executive remuneration is focused on the underlying health and performance of the Group and considers key drivers, including relevant ESG factors. Performance metrics consist of both financial and non-financial KPIs linked to our strategy, which in turn support the Group's purpose to unearth unique possibilities. These unique possibilities are relevant for our employees, the communities in which we operate and shareholders alike. Each strategic pillar is linked to an element of remuneration as set out on pages 122 to 128 of the Directors' Remuneration Policy.

Remuneration decisions taken during 2021

2021 marked the end of the four-year BT programme launched in 2017. We delivered in excess of the targeted US$100 million in revenue, productivity and cost savings by achieving US$110.0 million. During 2021, the Group faced numerous waves of the COVID-19 pandemic. Rapid roll-out of testing, establishment of the analysis laboratory on site in 2020, the stringent continuation of protocols and use of these facilities enabled uninterrupted operations. In conjunction with the British Government, the Group donated 20 000 vaccines to the Lesotho Government. This project fast-tracked the successful roll-out of vaccinations covering 99% of the workforce at the mine to date. Across the Group there were no salary cuts during 2021 as a result of the impact of COVID-19, no employees were furloughed, and no government assistance was taken up.

Despite the challenges of 2021, the Group ended the year with a cash balance of US$31.1 million and drawn-down facilities of US$10.2 million, resulting in a net cash position of US$20.9 million. Underlying EBITDA from continuing operations increased 8% to US$57.4 million from US$53.2 million in 2020. A cash dividend of 2.5 US cents was paid during the year. In light of the positive financial results in 2021, the Board is again proposing a dividend of 2.7 US cents per share, as part of sustaining its capital returns policy.

With the results and cash flows generated by the Group, the Group's share performance has been positive. The Group achieved a c.18.7% absolute total shareholder return for 2021 and was at the top of its peer group over the three-year period ended 2021.

During the year the Group commenced a preliminary conceptual study on the potential economic viability and mining method for underground expansion of the Satellite pipe at Letšeng (with the potential to include the Main pipe in the future).

The Group also successfully concluded its CCSA to identify and assess its physical climate change risks as part of the adoption of the TCFD recommendations.

In this context, the Committee's key decisions during the year related to the following areas:

GEM DIAMONDS INCENTIVE PLAN (GDIP)

As in the previous incentive plan (STIBS), the GDIP was based on a range of financial, operational and personal objectives that support the delivery of the Group's key strategic priorities, with 85% linked to business performance and 15% to personal performance.

The resulting formulaic GDIP outcome for the business scorecard was 26.8% of maximum (which accounted for 85% of the GDIP); the personal performance outcomes (accounting for 15% of the GDIP) averaged 13% across the Executive Directors. The Committee considered whether the GDIP outcome accurately reflects the underlying performance of the business and the wider employee and shareholder experience, and was satisfied that it does. The Committee exercised no discretion in determining the outcome of the GDIP.

ESOP

The 2019 ESOP rewards performance against total shareholder return against a tailored diamond mining peer comparator group (25% weighting), delivery of the BT programme (25%), and profit and production (50%), all measured over a three-year performance period.

The Company's three-year TSR over the period was at the top of the peer comparator group, which resulted in 100% of the element vesting. 25% (out of a maximum of 25%) and 20.24% (out of a maximum of 50%) of the BT and profit and production elements will respectively vest, based on performance over the three-year period. Overall, 60.1% of the share awards granted to the Executive Directors under the 2019 ESOP will vest on 20 March 2022, subject to continued employment at that time.

The specific targets and outturns underlying these elements are discussed in detail on page 139 of the Annual Report on Remuneration. The Committee believes the formulaic vesting outcome is a fair reflection of the Group's underlying performance and therefore no discretionary adjustment was applied.

We have not included a CEO pay ratio in this report, as the Company has only one employee based in the UK, and any resulting ratios would not be meaningful.

REMUNERATION COMMITTEE CONTINUED

Implementation of the remuneration policy in 2022

The Executive Directors' salaries were reviewed in February 2022, considering relevant benchmarks and in-country inflation. The review is in line with the general practice of considering the wider employee group when applying inflation as a base for salary increases across the Group. Based on all considerations, including current market conditions, the Remuneration Committee determined that base salaries would be increased by 4%.

For 2022, the GDIP will remain unchanged with a maximum annual award opportunity of 180% of salary. Group performance will continue to be measured with reference to a business scorecard linked to the Group's three strategic focus areas: Extracting Maximum Value from Our Operations; Working Responsibly and Maintaining Our Social Licence; and Preparing for Our Future. Group performance will be weighted 85% of maximum, with the remaining 15% linked to personal performance.

The incentive will be paid 55% in cash and 45% will be awarded through the issue of nil-cost options vesting in one-third annual tranches after one, two and three years, subject to continued employment and good/bad leaver provisions over this period. Vested awards will also be subject to a two-year post-vesting holding period, during which time Executive Directors may not sell shares except to cover taxes associated with the exercising of share options. Malus and clawback provisions will apply during the performance period and for a period of two years following payment.

The Committee has reconsidered the timing over which the Executive Director pensions will align with that of the wider employee group, taking into account market practice and guidance from investors, and concluded that the alignment should be brought forward to 1 January 2023. As a result, the Executive Director pensions will reduce with 1.1% and 0.9% of salary for the CEO and CFO respectively on 1 April 2022 (as originally planned), with a further reduction of 4.7% for the CEO and 3.7% for the CFO taking effect on 1 January 2023, to be fully aligned with workforce pensions at that time.

At the February 2022 meeting, the Committee also considered the level of share ownership required under the shareholding guidelines and concluded that this should be raised from 100% to 200% of salary for the Executive Directors.

Refer to pages 140 to 141 for further details on the implementation of the 2022 remuneration policy.

Engagement

I look forward to receiving your support at our 2022 AGM. The Board considers it important that shareholders have the opportunity to raise questions with the Board. As such, shareholders are invited to send any questions that they may have on this report or in relation to any of the Committee activities. Please feel free to contact me through Minelle Zech, the Group Human Resources Manager on mzech@gemdiamonds.com.

Michael Lynch-Bell
Chairperson of the Remuneration Committee
16 March 2022

REMUNERATION COMMITTEE CONTINUED

REMUNERATION AT A GLANCE

Fostering a culture of transparent and fair remuneration which supports our purpose and strategy and is aligned with wider employee considerations

BASIS OF PREPARATION

This report has been prepared in accordance with the principles of the UK Companies Act 2006, Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the UK Market Abuse Regulations. The external auditor of Gem Diamonds has audited information within this remuneration report which has been marked as such.

COMPONENT

BASIC SALARY
- Market-competitive base salary to recruit and retain individuals.
- No prescribed minimum or maximum annual increase.

BENEFITS
- Cash allowance in lieu of non-cash benefits.

PENSION
- Retirement benefits that are appropriately competitive.
- Alignment with wider employee group by January 2023.

GDIP
- Participants can receive a maximum of up to 180% of their base salary.
- For threshold- and target-level performance, the incentive earned is up to 20% and 50% of maximum opportunity, respectively.
- Group scorecard targets may include one or more of the three key strategic priority areas.
- Award to be delivered 55% in cash and 45% in nil-cost share options vesting in one-third annual tranches after one, two and three years, and subject to a two-year post-vest holding period.

100% REMUNERATION COMMITTEE ATTENDANCE

NO MALUS OR CLAWBACK
PROVISIONS TRIGGERED IN 2021

WIDER CONSIDERATIONS FOR EMPLOYEES IN 2021

+5.2% Approved inflationary increase to comparative employees' basic salaries effective from 1 January 2021 (excluding Directors)

13.2% → 7.5% Executive Director pension alignment by January 2023 (accelerated compared to that previously adopted in the 2021 remuneration policy)

Similar performance scorecards for management incentive schemes across the Group

BASIC SALARY AND SHAREHOLDING

SHAREHOLDING

100% of salary (to be raised to 200% in 2022)

CEO  Total shareholding 784% of salary

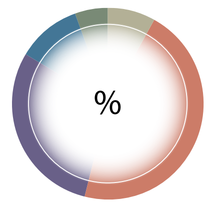
CFO  Total shareholding 52% of salary

PENSION AND BENEFITS:
- Pension contributions for the CEO and CFO reduced respectively by 1.2% and 0.9% of salary.
- No change was made to allowances for non-cash benefits.

TOTAL NON-EXECUTIVE DIRECTOR FEE
365 500 < £750 000
MAXIMUM AGGREGATE PER THE ARTICLES

GDIP

PROFILE OF SCORECARD



Individual	15%
Group	85%
Extracting Maximum Value from Our Operations	55%
Working Responsibly and Maintaining Our Social Licence	20%
Preparing for Our Future	10%
TOTAL	100%

REMUNERATION POLICY 2022

The Remuneration Policy was approved by the shareholders at the AGM on 2 June 2021 and became effective from this date. The Committee considered the relevance of the policy at its February 2022 meeting and concluded that two areas of implementation would be toughened to reflect market practice and guidance from investors. Pensions for the Executive Directors will now be reduced to align with that of the wider employee group by 1 January 2023 (rather than by 2026 as under the approved Policy) and the shareholding requirement will be increased from 100% to 200% of salary.

The Remuneration Policy is designed to provide a level of remuneration which attracts, retains and motivates executives of a suitably high calibre to manage the business, implement the Group's strategy and maximise long-term shareholder wealth. It is intended that, as far as possible, remuneration policies and practices will conform to best practice in the markets in which the Group operates, will be aligned with shareholder interests and will promote effective management of business risk.

The Committee's policy is to weight remuneration towards variable pay in order to provide base salaries and benefits that are fair, and variable pay incentives linked to the achievement of realistic performance targets relative to the Group's strategy and corporate objectives.

The Committee is satisfied that the proposed policy is clear, simple, and appropriately aligned with the Group's strategy, risk appetite and culture, and that the incentives are appropriately capped.

How good governance informs policy design

The table below sets out the application of the Principles of the Code relating to the design of remuneration policies and practices:

Clarity	Targets for annual cash incentives and share awards are aligned to the Group's strategic priorities. This provides clarity to shareholders and other stakeholders on the relationship between the successful delivery of the Group's strategy and remuneration paid.
Simplicity	The remuneration policy is designed to be simple and clear while complying with all relevant regulatory requirements and meeting shareholder expectations. It simplifies remuneration elements further by combining the cash and deferred shares components into a single GDIP.
Risk	The Committee is aware of the risks that can result from excessive rewards and believes that the robust target-setting and long history of applying discretion to formulaic outcomes reflects this. Malus and clawback provisions in the remuneration policy further mitigate this risk.
Proportionality	The Committee's overriding discretion ensures that remuneration outcomes are aligned with Group performance.
Predictability	The GDIP ensures a simpler but more predictable range of performance outcomes that align with the business model, ensuring predictable pay outcomes that do not reward poor performance.
Culture	As reflected in the Chairperson's statement on page 119, the Committee considers overall pay and conditions for employees across the Group when determining Executive Director outcomes. Personal and Group performance measures include non-financial metrics linked to the Group's purpose and culture.

REMUNERATION COMMITTEE CONTINUED

Policy table for Executive Directors

SALARY

Purpose and link to strategy	To offer a market-competitive base salary to recruit and retain individuals of the high calibre necessary to execute the Company's business strategy.
Operation	Base salaries are reviewed annually with changes effective from 1 April. Salaries are typically set after considering the salary levels in companies of a similar size, complexity and risk profile, the responsibilities of each individual role, progression within the role, and individual performance. In setting salaries for Executive Directors, the Committee takes note of the overall approach to salary reviews for the wider employee group.
Opportunity	There is no prescribed minimum or maximum annual increase. It is expected that salary increases for Executive Directors will ordinarily be (in percentage of salary terms) in line with those of the wider employee group in countries of a similar inflationary environment. In certain circumstances (for example, where there is a change in responsibility, role size or complexity, or progression in the role), the Committee has discretion to award higher increases to ensure salary levels remain competitive.
Performance measures	N/A

BENEFITS

Purpose and link to strategy	To provide competitive benefits considering the market value of the role and benefits offered to the wider UK management population, in line with the Company's strategy to keep remuneration simple and consistent.
Operation	Executive Directors receive a cash allowance in lieu of non-cash benefits.
Opportunity	The benefit value may vary by role to reflect market practice. It is not anticipated that the current cost of benefits (as set out in the Annual Report on Remuneration) will increase materially over the term of this policy, though the Committee retains discretion to approve a higher cost in exceptional circumstances.
Performance measures	N/A

PENSION

Purpose and link to strategy	To provide retirement benefits that are appropriately competitive.
Operation	Executive Directors receive a cash allowance in lieu of pension.
Opportunity	The CEO and the CFO respectively receive pension benefits from 1 April 2022 equal to 12.2%, and 11.2% of their salary. Pension benefits will be reduced to 7.5% of salary effective 1 January 2023 to be fully aligned with that of the wider employee group. Any new Executive Director will receive pension benefits aligned to that of the wider employee group (currently 7.5%) at the time of appointment.
Performance measures	N/A

REMUNERATION COMMITTEE CONTINUED

GDIP

Purpose and link to strategy	To drive and reward performance against financial and non-financial KPIs, as well as personal objectives, all of which are directly linked to business strategy.
Operation	The GDIP is reviewed annually by the Committee at the start of the year to ensure the opportunity and performance measures are appropriate and continue to support business strategy. The Committee has discretion to adjust the formulaic outcome of the bonus to more accurately reflect the underlying business and personal performance during the year. Performance is measured over one year, and earned awards are delivered 55% in cash and 45% in nil-cost share options vesting in one-third annual tranches after one, two and three years, subject to continued employment and good/bad leaver provisions over this period. Vested awards are also subject to a two-year post-vesting holding period. Malus and clawback provisions may be applied for a period of two years following payment in exceptional circumstances, including, but not limited to, misstatement, misconduct or error.
Opportunity	Participants can receive a maximum of up to 180% of their base salary. For threshold-level and target-level performance, the award earned is up to 20% and 50% of maximum opportunity, respectively.
Performance measures	Performance is determined by the Committee annually by reference to a scorecard of Group targets as detailed in the Group's business plan and encapsulated in specific KPIs, as well as a discretionary assessment of personal performance. Group scorecard targets may include one or more of the three key strategic priority areas of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future. The Group scorecard will typically account for 85% of performance bonus in any one year. Details of the measures and weightings for the current year are provided in the Annual Report on Remuneration.

Notes to policy table

PAYMENTS FROM EXISTING ARRANGEMENTS

Executive Directors will be eligible to receive remuneration or other payments in respect of any award granted or payment agreed prior to the approval and implementation of the 2021 remuneration policy, or prior to the individual becoming a Director, if in the opinion of the Committee the payment was not in consideration for the individual becoming a Director. Details of any such awards or payments are disclosed in the Annual Report on Remuneration.

SELECTION OF PERFORMANCE MEASURES (GDIP)

Performance measures used in the Group's executive incentive scheme – the GDIP – are selected to ensure incentives reinforce the Company strategy and align executive interests closely with those of shareholders. It is the Committee's opinion that the financial and non-financial measures used in the GDIP support the strategic priorities of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future, and are well accepted measures for the mining sector.

Performance targets are set to be stretching but achievable, considering a range of reference points including the Group's business plan, its strategic priorities and the economic environment in which the Group operates. The Committee believes it has a robust approach to target setting and the maximum outcomes are achievable only for exceptional performance.

REMUNERATION POLICY FOR OTHER EMPLOYEES

Salary reviews are implemented with a consistent approach across the Group and consider the level of responsibility, experience, individual performance, market levels and the Group's ability to pay.

Senior management (below Board level) remuneration is reviewed by the Remuneration Committee. Senior management and management level employees participate in an annual bonus scheme on a similar basis as the Executive Directors, although the weighting on Group performance measures increases with seniority and share awards vary appropriately according to organisational level.

Other employees participate in an annual bonus linked to operational metrics.

REMUNERATION COMMITTEE CONTINUED

Shareholding guidelines

The in-post guideline was increased in February 2022 to requiring Executive Directors to hold 200% of their salary in beneficially owned shares (previously 100% of salary under the 2021 approved policy). Until the guideline has been met, Executive Directors will be required to retain 50% of vested awards under the GDIP or any other share-based incentive.

The post-termination shareholding for Executive Directors requires that the in-post shareholding requirement is maintained for a period of a year following cessation of employment, to be achieved through the continued holding of vested share awards granted after the introduction of the 2021 Remuneration Policy.

A formal policy has been implemented to ensure in- and post-termination shareholding requirements are managed appropriately.

Pay for performance: scenario analysis for 2022

The table and subsequent graph below illustrates an estimate of the potential future remuneration for the Executive Directors and the potential split between the different elements of pay under four performance scenarios: fixed, at target, maximum, and maximum +50% share price appreciation. Potential remuneration is calculated on the incentive opportunities set out in the 2021 remuneration policy applied to the salaries effective 1 April 2022.

The maximum GDIP is 180% of the salary.

The fixed scenario includes base salary, pension and benefits only.

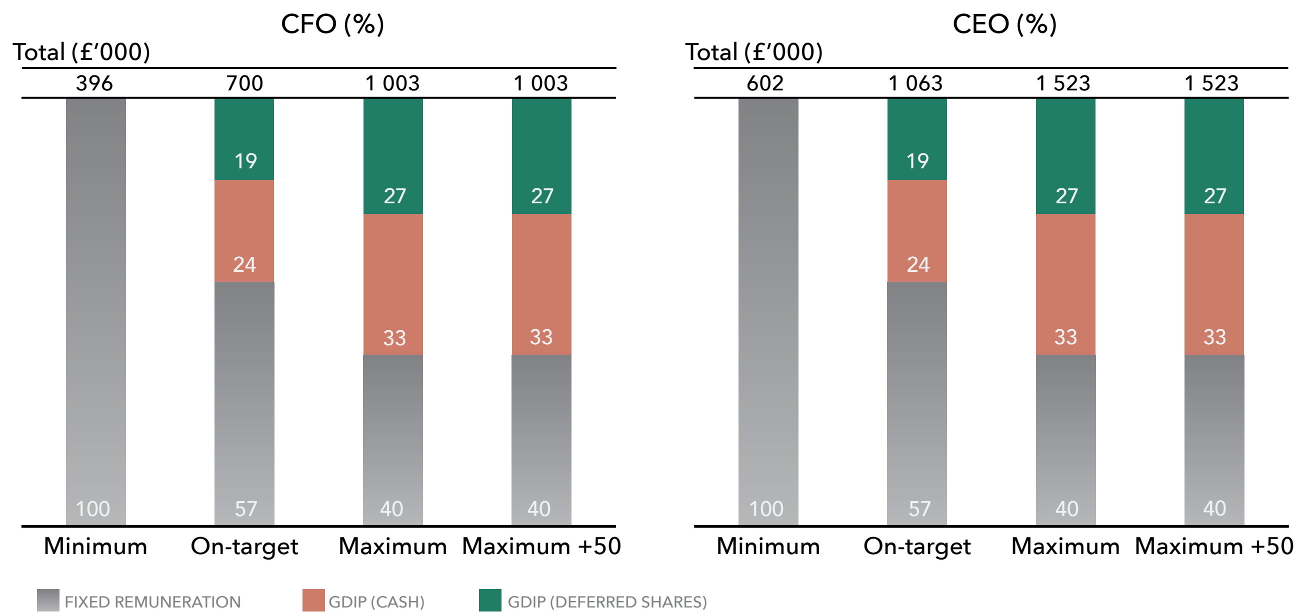
The at-target scenario includes fixed remuneration as above, plus target pay-out of the GDIP.

The maximum scenario includes fixed remuneration, plus full pay-out and vesting of all incentives.

The maximum +50% scenario is the same as the maximum scenario as the deferred share element of the GDIP is not subject to performance conditions over the deferral period.

The assumptions are summarised in the table below:

Component	Fixed	At target	Maximum	Maximum +50% share price appreciation
Salary	Base salary for 2022			
Benefits	5.5% and 6.0% of salary for the CEO and the CFO respectively			
Pension	12.2% and 11.2% of salary for the CEO and the CFO respectively, in 2022			
GDIP (cash)	0% of maximum	50% of maximum	100% of maximum	100% of maximum
GDIP (deferred shares)	0% of maximum	50% of maximum	100% of maximum	100% of maximum



REMUNERATION COMMITTEE CONTINUED

Approach to remuneration on executive recruitment

The Committee will follow the Remuneration Policy as set out in the policy table when recruiting new Executive Directors. Any arrangement specifically established to recruit an external Executive Director would be capped at the limits described in the policy table on appointment. Where an individual forfeits outstanding incentive payments and/or contractual rights at a previous employer because of their appointment, the Committee may offer additional compensatory payments or awards (buy-out) in such form as it considers appropriate. Any such buy-out compensation would be on a comparable basis to the forfeited benefit, considering factors including the performance conditions attached to these awards, the likelihood of conditions being met, and the remaining vesting period of these awards. The Committee would normally use the remuneration components under the regular policy to make such buy-out awards, but may also exercise its discretion under Listings Rule 9.4.2 if an alternative incentive structure were required. Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide reasonable, time-limited assistance with relocation in line with local market norms.

In the case of internal promotions, any commitments made prior to promotion and the approval of the remuneration policy (except for pension entitlements) will be honoured. Where the new appointee has an initial salary set below market, any shortfall will be managed with phased increases over a period of several years, subject to the individual's performance and development in the role.

Service contracts

The Company's policy is to limit termination payments to pre-established contractual arrangements. If the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. Details of the Executive Directors' service contracts are summarised in the table below.

Director	Contract date	Unexpired	Notice period	Contractual termination payment
CT Elphick	13 February 2007	Rolling contract	12 months	Pay basic salary on summary termination. Benefits are payable only at the Committee's discretion.
M Michael	22 April 2013			

Payments for loss of office under all service contracts

On termination of an Executive Director's contract, payments equal to salary in lieu of notice may be made monthly during the notice period. Benefits are payable only at the Committee's discretion. Payment in lieu of unused annual leave entitlement can be made at the effective salary rate at the point of termination.

Where employment is terminated by the Company and the departing Executive Director has a legal entitlement (under statute or otherwise) to additional amounts, these would need to be met. Should the Company wish to enter into a settlement agreement and the individual seeks independent legal advice, the Committee retains discretion to settle any claims by or on behalf of the Executive Director in return for making an appropriate payment and contributing to the legal fees incurred by the Executive Director in connection with the termination of employment.

In exceptional circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement, confidentiality, outplacement services, restrictive covenants and/or consultancy arrangements. These will be used only in circumstances where the Committee believes it is in the best interests of the Company and its shareholders to do so.

REMUNERATION COMMITTEE CONTINUED

The table below provides details of exit payments under different leaver scenarios.

Incentive	Scenario	Time of payment/vesting	Calculation of payment/ vesting
GDIP awards, prior to end of performance period	Death, disability, ill health, redundancy, retirement, or any other reasons the Committee may determine (normally not including resignation or where there are concerns as to performance)	Normal payment date, although the Committee has discretion to accelerate (for example, in relation to death)	Performance against targets will normally be assessed by the Committee at the end of the year and any resulting award is normally pro-rated for the proportion of the year worked
	Change of control (whether or not employment is terminated as a result)	Immediately, on change of control	Performance against targets will normally be assessed by the Committee up to the date of change of control and any resulting award is normally pro-rated for time
	All other reasons	Not applicable	No award is paid
GDIP (unvested nil-cost options)	Death, disability, ill health, redundancy, retirement, or any other reasons the Committee may determine (normally not including resignation or where there are concerns as to performance)	Normal vesting date, although the Committee has discretion to accelerate	Unvested awards will normally be pro-rated for time unless the Committee decides otherwise
	Change of control (whether or not employment is terminated as a result)	Immediately, on change of control	Unvested awards will normally be pro-rated for time unless the Committee decides otherwise
	All other reasons	Not applicable	Awards lapse
GDIP (nil-cost options/shares in holding period)	Death, disability, ill health, redundancy, retirement, or any other reasons the Committee may determine (normally not including resignation or where there are concerns as to performance)	Normal vesting date, although the Committee has discretion to accelerate	Not applicable
	Change of control (whether or not employment is terminated as a result)	Immediately, on change of control	Not applicable
	All other reasons	Normal release date, although the Committee has discretion to accelerate	Not applicable

REMUNERATION COMMITTEE CONTINUED

Non-Executive Directors

Non-Executive Directors do not receive benefits from the Company and they are not eligible to participate in any cash or share-based incentive scheme.

Directors' fees	
Purpose and link to strategy	To attract and retain a high-calibre Chairperson and non-Executive Directors with experience relevant to the Company.
Operation	Fees are reviewed annually, with any changes effective from 1 April. Fees are typically set after considering current market levels, time commitment and responsibilities involved. All non-Executive Directors, including the Chairperson, are each paid an all-inclusive fee. No additional fees are paid for chairing Committees. All fees are payable monthly in cash in arrears. The non-Executive Directors do not participate in any of the Group's incentive plans. No other benefits or remuneration are provided to non-Executive Directors.
Opportunity	There is no prescribed maximum annual increase. It is expected that fee increases will typically be in line with market levels of fee inflation. In certain circumstances (for example, where there is a change in time commitment required or a material misalignment with market), the Committee has the discretion to adjust fee levels to ensure they remain competitive. The maximum aggregate annual fee for all non-Executive Directors, including the Chairperson, allowed by the Company's Articles of Association, is £750 000.

Director	Contract date	Unexpired term	Notice period	Contractual termination payment
H Kenyon-Slaney	6 June 2017	Rolling appointment	Three months	No provision for payment of compensation
M Brown	1 January 2018			
M Lynch-Bell	15 December 2015			
M Maharasoa	1 July 2019			
R Kainyah	1 May 2021			

Considerations of shareholder views

The Committee considers shareholder views and the guidelines of investor bodies when determining remuneration. The Committee values feedback from shareholders on the Company's remuneration policy and commits to consulting shareholders in advance of any significant changes to the policy. Details on the votes received on the 2020 Annual Report on Remuneration and 2021 Remuneration Policy (at the 2021 AGM) are provided in the Annual Report on Remuneration.

External directorships

Executive Directors are permitted to accept external directorships with prior approval of the Chairperson. Approval will only be given where the appointment does not present a conflict of interest with the Group's activities and the experience gained will be beneficial to the development of the individual. Where fees are payable in respect of such appointments, these would be retained by the Executive Director. Refer to page 133 for further details.

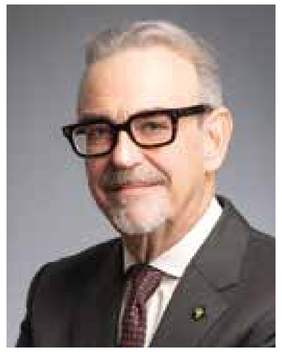
REMUNERATION COMMITTEE CONTINUED

ANNUAL REPORT ON REMUNERATION

This report provides information regarding the implementation of the Company's approved 2021 Remuneration Policy during the financial year ended 31 December 2021, and how the 2021 Remuneration Policy will be implemented in 2022. This Annual Report on Remuneration will be subject to an advisory vote at our 2022 AGM on 8 June 2022.

Role, composition and experience of the Committee

The Committee's terms of reference are available on the Company's website and comply with the UK Corporate Governance Code.



Michael Lynch-Bell

Chairperson

Non-Executive Director

The role of the Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that:

- Remuneration policy and practices of the Group are designed to support strategy and promote long-term sustainable success, and reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
- Executive remuneration is aligned to Group purpose and values and linked to the delivery of the Group's long-term strategy.

Membership as at 31 December 2021:

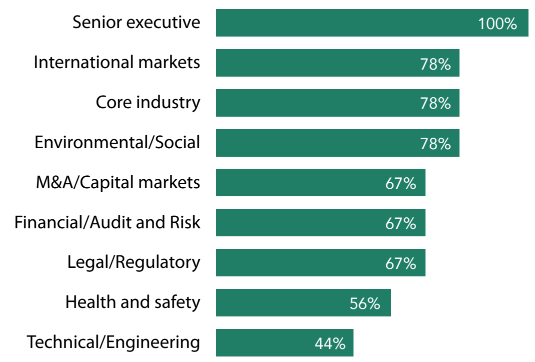
- M Lynch-Bell
- H Kenyon-Slaney*
- R Kainyah (member from 2 June 2021)
- M Brown (member until 1 June 2021)

Other attendees:

- C Elphick*
- M Michael*
- Group Human Resources Manager
- Ellason (Independent remuneration consultants)
- Secretary (Bruce Wallace Associates)

* *Except when issues relating to their own remuneration are discussed.*

Remuneration Committee skills (%)



REMUNERATION COMMITTEE CONTINUED

2021 activities	Link to strategic pillar
Reviewed the remuneration policy to ensure it is appropriate to motivate and reward senior executives and align their interests with the Company's purpose and values, as well as the interest of shareholders	
Considered the effectiveness of short- and long-term incentive structures and the alignment with shareholder expectations	
Reviewed the implementation of in- and post-termination shareholding policies	
Reviewed the range of non-financial performance metrics in variable remuneration	
Ensured incentives include an appropriate balance of financial and non-financial elements for the long-term sustainability of the organisation	
Applied its collective mind to the determination of discretionary elements in the GDIP scorecard and the appropriateness of the formulaic output from the incentive calculations, to ensure these accurately reflect performance during the year	
Reviewed and approved the terms of reference of the Committee	
Reviewed and approved the Directors' Remuneration Report for 2020	
Reviewed and approved base salaries and total remuneration for the Executive Directors and fees for non-Executive Directors and reviewed senior management remuneration in line with consideration of recent developments in remuneration market trends and best practice	

Extracting maximum value from our operations | Working responsibly and maintaining our social licence | Preparing for our future

REMUNERATION COMMITTEE CONTINUED

CONSIDERATION OF INDEPENDENCE

Ellason LLP was appointed by the Committee in January 2021 and provided independent remuneration advice to the Committee and attended Committee meetings during 2021. Ellason LLP provides remuneration advice to a large portfolio of clients, including many in the FTSE350 and FTSE Small Cap, reassuring the Committee that the advice provided is appropriate and relevant. Ellason LLP is a signatory to, and abides by, the Remuneration Consultants Group Code of Conduct. Further details can be found at www.remunerationconsultantsgroup.com.

Ellason LLP does not provide non-remuneration services to the Group and is in no other way connected to the Group, and is therefore considered to be independent. The fees payable in relation to work for the Committee in 2021 were US$29 278, excluding VAT.

Summary of shareholder voting

The table below shows the results of the advisory vote on the 2020 Annual Report on Remuneration at the 2021 AGM, and the binding vote on the 2021 Remuneration Policy at the 2021 AGM.

		For	Against	Total votes cast	Withheld
2020 Annual Report on Remuneration	Total number of votes	100 217 068	11 542 203	111 759 271	85 471
	Percentage of votes cast	89.7%	10.3%	–	–
2021 Remuneration Policy	Total number of votes	101 332 434	10 512 308	111 844 742	–
	Percentage of votes cast	90.6%	9.4%	–	–

Wider employee considerations

The Committee considers Executive Director remuneration in the context of pay policies and practices across the wider employee group. We value and appreciate the contribution made by our employees and aim to provide them with market-competitive remuneration and benefit packages. Our approach to remuneration for our wider employee group is similar to that of Executive Directors and includes both fixed and performance-based components.

Base salaries are reviewed annually, and any increases become effective from either 1 January or 1 March, dependent on operation-specific remuneration policies. The Committee reviews salary increases for the wider employee group and significant changes in practice or policy.

All employees participate in an annual discretionary bonus scheme that rewards both an employee's contribution to the performance of the Group and their individual performance.

The majority of our employees receive an employer pension contribution equal to 7.5% of salary per annum and may opt to join a medical aid scheme to which the Company contributes 50% up to a capped amount.

We have an open, collaborative and inclusive management structure and engage regularly with our employees on a range of issues. The designated non-Executive Director, Mazvi Maharasoa, conducts formal engagement sessions with employees across the Group. The structure of the engagement sessions was reviewed during 2021 to determine whether the quality of the sessions could be improved. Following the review, a formal engagement plan was approved for 2022 which would see the Remuneration Committee Chairperson annually attend one engagement session per operational site. This would afford the opportunity for engagement with the workforce as to how executive remuneration supports strategy and aligns with that of the employees. Company culture is monitored and assessed by the Board on a quarterly basis against pre-determined metrics.

Gender pay considerations

We have not included a UK gender pay gap report, as the Company has only one employee based in the UK, and any resulting ratios would not be meaningful. The Committee reviewed gender pay across the various employee levels in the Group and is satisfied that no material differences exist between genders.

Relative importance of spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (ie dividends, share buy-backs and return of capital) from the financial year ended 31 December 2020 to the financial year ended 31 December 2021.

	2021 US$	2020 US$	% increase
Distribution to shareholders[1]	**3 794 431**	3 509 082	0.1
Employee remuneration[2]	**19 347 781**	19 735 981	(2)
Return of capital[3]	**–**	–	–

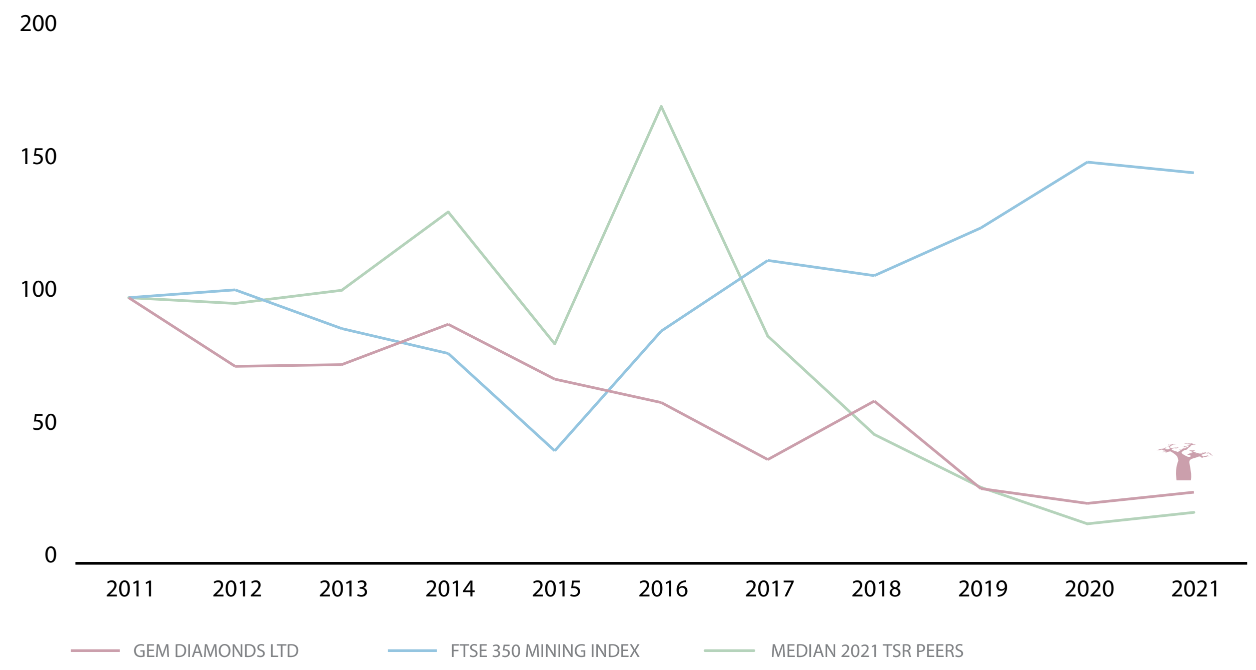
[1] The proposed distribution to shareholders on the 2022 dividend payment date is currently unknown, therefore the distribution is valued using the shares in issue as at 31 January 2022. The 2020 figures have been adjusted to reflect the actual distribution on the dividend payment date of 15 June 2021.
[2] Includes salary, pension and benefits, bonus, accounting charge for the ESOP, and employer national insurance contribution.
[3] Any other significant distributions and payments or other uses of profit or cash-flow deemed to assist in understanding the relative importance of spend on pay.

REMUNERATION COMMITTEE CONTINUED

Pay for performance

The graph shows the Company's TSR performance compared to the performance of the TSR Peer Group and the FTSE 350 Mining Index over the 10-year period to 31 December 2021. The TSR Peer Group has been selected to provide a diamond miner comparator group and the FTSE 350 Mining Index has been selected as the Group and the constituents of the index are affected by similar commercial and economic factors. The table below the graph details the CEO's single figure of remuneration and actual variable pay outcomes over the same period.

Value of £100 invested on 1 January (Gem Diamonds vs. FTSE350 Mining Index and 2021 TSR Peers (£))



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
CEO single figure of remuneration (£)	797 755	564 419	776 406	892 935	879 719	611 314	681 191	995 161	891 643	989 921	**1 006 724**
Annual bonus outcome (% of maximum)	75	13	61	83	74	–	20	83	63	66	**39**
ESOP vesting outcome (% of maximum)	–	–	–	–	–	28.3	14.5	21.4	25.9	65.9	**60.1**

The percentage change in Director remuneration compared to other employee pay

The table on the next page shows a comparison of the annual change of each individual Director's pay to the annual change in average employee pay for the year ended 31 December 2021. Average employee pay is calculated using a mean average. The parent company consists of only one employee who is not a Director, and the Company therefore chose to voluntarily disclose the change in Directors' remuneration compared to a wider employee comparator group, as this will provide a more representative comparison. Where there is a year-on-year increase in base salary or fees paid to the Directors, this is due to reinstatement of salaries and fees following COVID-19-related sacrifices in 2020.

REMUNERATION COMMITTEE CONTINUED

	2021			**2020**		
	Base salaries[1] (% change)	**Benefits (% change)[2]**	**Annual bonuses (% change)[3]**	**Base salaries (% change)**	**Benefits (% change)**	**Annual bonuses (% change)**
Executive Directors						
C Elphick	4.1	(0.9)	(27.1)	(1.3)	–	3.7
M Michael	4.1	(0.7)	(27.1)	(1.3)	–	4.7
Non-Executive Directors						
H Kenyon-Slaney	4.1	–	–	(14.5)	–	–
M Lynch-Bell	4.1	–	–	(16.0)	–	–
M Brown	4.1	–	–	(16.0)	–	–
J Velloza[4]	4.1	–	–	(12.0)	–	–
M Maharasoa	4.1	–	–	96.0	–	–
R Kainyah[5]	–	–	–	–	–	–
Average pay of comparator group employees[6]	5.9	–	(19.9)	(2.0)	0.7	4.9

[1] *The annual percentage change in salary is calculated by reference to actual salary paid for the financial year ended 31 December 2021, compared to the financial year ended 31 December 2020. The increase in salaries and fees reflect the reinstatement to contractual levels following the COVID-19-related sacrifice in 2020.*
[2] *The annual percentage change in benefits is calculated by reference to the benefits as a % of salary in respect of the financial year ended 31 December 2021, compared to the financial year ended 31 December 2020.*
[3] *The annual percentage change in bonus is calculated by reference to the % of annual salary achieved for the financial year ended 31 December 2021, compared to the financial year ended 31 December 2020. For 2021, the cash portion of the GDIP is included and the deferred portion is excluded.*
[4] *Stepped down from the Board on 1 May 2021. Fees were calculated on a full-time equivalent basis.*
[5] *Appointed to the Board on 1 May 2021.*
[6] *Average employee pay is calculated by reference to the mean average pay of employee comparator group.*

Executive Directors' external appointments

Apart from interests in private entities, only Clifford Elphick holds any significant executive directorship or appointments outside the Group. He is appointed as the non-Executive Chairperson of Zanaga Iron Ore Co Limited, which listed on the AIM Market of the London Stock Exchange in November 2010. Total fees paid to Clifford Elphick by Zanaga are £83 000. Any fees paid to Clifford Elphick in fulfilling these external roles are retained by him.

REMUNERATION COMMITTEE CONTINUED

REMUNERATION COMMITTEE CONTINUED

Salary increases

The Committee did not approve any salary increases for the Executive Directors in 2021:

Executive Director	**2021 salary £**	2020[1] salary £	% increase
C Elphick	**491 902**	491 902	–
M Michael	**324 635**	324 635	–

[1] *This figure does not reflect the COVID-19 salary sacrifice of 4.1% during 2020*

Pension and other benefits

No formal pension provision is made by the Company. Instead, Executive Directors receive a cash allowance in lieu of pension. In 2021, the pension allowance for the CEO and CFO was reduced to 13.3% and 12.1% of salary respectively, in line with the commitment to align pensions with the wider employee group over time. Executive Directors received a cash allowance in lieu of other non-cash benefits, the values of which were 5.5% and 6.0% of salary respectively for the CEO and the CFO.

Implementation of remuneration policy for 2021

TOTAL SINGLE FIGURE OF REMUNERATION FOR DIRECTORS

The table below sets out the total single figure remuneration received by each Director for 2021 and the prior year. Although the Group's reporting currency is US dollars, these figures are stated in sterling, as the Directors' emoluments are based in sterling.

	Salary and fees[1]		Cash payments in lieu of other non-cash benefits[2]		Cash payments in lieu of pension[2]		Total fixed remuneration	
	2021 £	2020 £	**2021 £**	2020 £	**2021 £**	2020 £	**2021 £**	2020 £
Executive Directors								
C Elphick	**491 902**	472 611	**27 055**	25 994	**66 899**	68 529	**585 856**	567 134
M Michael	**324 635**	311 904	**19 478**	18 714	**40 011**	40 547	**384 124**	371 165
Non-Executive Directors								
H Kenyon-Slaney	**122 400**	117 600	**–**	–	**–**	–	**122 400**	117 600
M Lynch-Bell	**56 100**	53 900	**–**	–	**–**	–	**56 100**	53 900
M Brown	**56 100**	53 900	**–**	–	**–**	–	**56 100**	53 900
J Velloza[5]	**37 400**	107 800	**–**	–	**–**	–	**37 400**	107 800
M Maharasoa	**56 100**	53 900	**–**	–	**–**	–	**56 100**	53 900
R Kainyah[6]	**37 400**	–	**–**	–	**–**	–	**37 400**	–

	GDIP (cash)[3]	STIB[3]	GDIP (share options)[4]	ESOP[4]		Total variable remuneration		Total	
	2021 £	2020 £	**2021 £**	**2021 £**	2020 £	**2021 £**	2020 £	**2021 £**	2020 £
Executive Directors									
C Elphick	**191 404**	326 379	**156 604**	**72 860**	96 408	**420 868**	422 787	**1 006 724**	989 921
M Michael	**129 533**	218 643	**105 981**	**53 853**	71 258	**289 367**	289 901	**673 491**	661 066
Non-Executive Directors									
H Kenyon-Slaney	**–**	–	**–**	**–**	–	**–**	–	**122 400**	117 600
M Lynch-Bell	**–**	–	**–**	**–**	–	**–**	–	**56 100**	53 900
M Brown	**–**	–	**–**	**–**	–	**–**	–	**56 100**	53 900
J Velloza[5]	**–**	–	**–**	**–**	11 649	**–**	11 649	**37 400**	119 449
M Maharasoa	**–**	–	**–**	**–**	–	**–**	–	**56 100**	53 900
R Kainyah[6]	**–**	–	**–**	**–**	–	**–**	–	**37 400**	–

[1] *Salary and fees. The increase relates to the reinstatement of salaries following the COVID-19 sacrifice in 2020.*

[2] *Benefits and pension: cash payments in lieu.*

[3] *Includes the cash component of the GDIP (in 2021) and previous STIB (in 2020).*

[4] *The 2021 GDIP (share options) figures relate to the value of deferred nil-cost share options to be awarded in 2022 following the release of the annual results. The 2021 ESOP figures relate to the values at vesting of awards vesting on performance over the three-year period ended 31 December 2021. The share price on the vesting date is currently unknown, therefore the awards are valued using the three-month average share price to 31 December 2021 of 52.69 pence. The 2021 values at vesting reflect the impact of a 42% reduction in share price over the period. The 2020 figures have been adjusted to reflect the share price on the vesting date of 63.6 pence.*

[5] *Fees are 50% standard fees and 50% additional fees related to special projects. J Velloza stepped down from the Board as of 1 May 2021.*
The 2021 fees relate to the period 1 January 2021 to 30 April 2021. ESOP vesting relates to awards granted prior to his appointment as a non-Executive Director.

[6] *R Kainyah was appointed to the Board in May 2021. The 2021 fees relate to the period 1 May 2021 to 31 December 2021.*

GDIP IN RESPECT OF 2021 PERFORMANCE

Executive Directors participated in the GDIP in 2021, a discretionary incentive arrangement focused on the strategic areas of Extracting Maximum Value from Our Operations, Working Responsibly and Maintaining Our Social Licence, and Preparing for Our Future, all of which are underpinned by specific KPIs and included in the business plan approved by the Board.

In 2021, the maximum award opportunity for the Executive Directors was 180% of base salary. The earned incentive is paid in cash (55%) and a nil-cost share award (45%), vesting subject to continued employment over three years. Pay-out is based 85% on a business scorecard and 15% on personal objectives assessed on a discretionary basis by the Remuneration Committee. The business scorecard performance measures, targets and actual outturns for 2021 are disclosed in full in the table on page 136.

REMUNERATION COMMITTEE CONTINUED

Performance measure	Weighting (% of max)	Threshold	Stretch	Actual performance	Pay-out (% of max)
Preparing for Our Future					
As set out in strategic focus areas	10.0	Judged by Committee on a discretionary basis			8.5
Extracting Maximum Value					
Underlying EBITDA (US$ millions)	30.0	61.2	82.9	57.4	–
Costs					
» Corporate costs (US$ millions)	1.5	7.2	6.5	7.2	0.3
» Cost per tonne (LSL)	13.5	347	314	386	–
Carats recovered (carats)	10.0	111 273	136 000	115 335	3.0
Working Responsibly and Maintaining Our Social Licence					
Any fatality will result in 100% forfeiture of this element	5.0	–	–	–	5.0
All Injury Frequency Rate (AIFR)	5.0	2.20	1.25	0.93	5.0
Lost Time Injury Frequency Rate (LTIFR)	5.0	0.11	–	0.24	–
Any major environmental/community incident will result in 100% forfeiture of this element	5.0	–	–	–	5.0
	85.0				26.8

Preparing for Our Future

Following the implementation of the BT programme in 2017 and the approval of the Bankable Plan for the Group of US$40 million (US$31 million annual and US$9 million once-off savings), a four-year US$100 million target was set in 2018 (to be delivered by end of 2021). This was impacted by COVID-19 and the operational shutdown due to the in-country lockdown in 2020. Notwithstanding these challenges, the US$100 million four-year target was exceeded by achieving US$110.0 million on time.

During 2021, the Group faced numerous waves of the COVID-19 pandemic. Rapid roll-out of testing, establishment of the analysis laboratory on site in 2020, and the stringent continuation of protocols and use of these facilities in 2021 enabled uninterrupted operations.

The Group undertook a comprehensive debt refinancing project due to the expiry of its current facilities. The objective was to expand its lender group and to further upsize the Group's available facilities. This was successfully concluded and in addition, US$32.3 million of the facilities are Sustainability-Linked Loans where the margin and resultant interest rate will decrease if the Group meets certain carbon reduction and water conservation KPIs that are aligned with the Group's sustainability strategy. These facilities are renewable in December 2024 and strengthen the Group's balance sheet appropriately for the next three years. Further to this, the Group successfully concluded its CCSA to identify and assess its physical climate change risks as part of the adoption of the TCFD recommendations.

In-country Competition Commission and Government approvals were received in terms of the Conditions Precedent as set out in the sales agreement for the disposal of the Ghaghoo asset. However, the sale was not concluded prior to year end, as the purchaser requested an extension of time to secure an alternative financing partner.

During the year the Group commenced a preliminary conceptual study on the potential economic viability and mining method for underground expansion of the Satellite pipe at Letšeng (with the potential to include the Main pipe in the future).

The Committee reviewed performance in this area during 2021 on a holistic basis, and determined that a score of 8.5 out of 10 was appropriate.

REMUNERATION COMMITTEE CONTINUED

Personal performance

15% of the GDIP is linked to personal performance, with objectives linked to each Executive Director's individual areas of responsibility and designed to collectively support the achievement of the Group's strategic targets for the year. Individual targets comprised contributions to the Group's overall performance and the delivery of strategic projects and initiatives as set out by the Board, including operational performance, strengthening of key stakeholder relationships, bank financing, treasury management, ESG objectives and strategy development and implementation. Following the Committee's consideration of the Executive Directors' personal performance as set out in the tables below, the Committee awarded scores of 12.5% and 13.5% (out of 15%) respectively for the CEO and CFO.

Clifford Elphick

Strategic focus area	*Performance*
	• During the year, numerous assets and projects were reviewed and potential parties were engaged as part of the strategic focus on growth and expansion. • The continued participation in the GIA's blockchain initiative provides assurance to end-consumers around the provenance of the rough diamonds and the contribution of the diamond industry to Lesotho.
	• The first Dubai trial tender viewing was held in September, making it easily accessible for important clients from the UAE, India and Israel to participate in the tender. The response was overwhelmingly positive and contributed to the robust prices achieved.
	• Succession planning across the Group was progressed with an increased focus on diversity and inclusion. This specifically led to the appointments of the Head of Operations and Head of Finance at Letšeng. Training spend on the development of female employees was significantly higher than in prior years. • The gap analysis on the adopted UN SDG framework was completed in 2021, laying the foundation for implementation in 2022. • Behaviour driving culture was monitored on a quarterly basis and initiatives were implemented to ensure that it continued to align with business goals.

Michael Michael

Strategic focus area	*Performance*
	• Comprehensive debt refinancing was concluded which added a new funder to the lender group and resulted in an increase of facilities at Letšeng. This strengthened the Group's balance sheet appropriately for the next 3 years. • During the year a review of the Group's capital allocation was undertaken. The reviewed dividend policy was implemented and a dividend payment was effected.
	• Continuous Improvement projects were rolled out in the year achieving financial benefits. These projects included waste reduction through shorter haulage (c. LSL30.0 million p.a.), electricity efficiencies through geyser and heating timers as well as drilling efficiencies through drilling depth accuracy.
	• The Group successfully concluded and delivered the CCSA to identify and assess the physical climate change risks as part of the adoption of the TCFD recommendations. The scenario analysis considered four climate-related scenarios, which will allow the Group to work towards developing an effective response. • Various risk management processes were embedded and advanced during the year. These included the conclusion of the insurance risk transfer process and establishment of a LSL100m self-insurance fund.

Extracting maximum value from our operations | Working responsibly and maintaining our social licence | Preparing for our future

REMUNERATION COMMITTEE CONTINUED

The formulaic outcome from the business scorecard for Group performance was 26.8% (out of the maximum 85%) which, combined with the personal element, resulted in formulaic GDIP outcomes of 39.3% and 40.3% of maximum for the CEO and the CFO, respectively.

Based on business and personal performance, the GDIP incentive for 2021 was as follows:

	Total Performance score (%)	Cash (£)	Deferred nil-cost options (£)[1]	Total (#)
Executive Directors as at 31 December 2021				
C Elphick	39.3	191 404	156 604	348 008
M Michael	40.3	129 533	105 981	235 514

[1] *The deferred nil-cost options will be granted in 2022 and will be subject to the rules as set out in the Directors Remuneration Policy on page 122.*

ESOP: 2019 AWARDS VESTING IN 2022

The Executive Directors were granted awards of performance shares in March 2019, which are set out in the table below.

	Date of grant	Number options granted	Share price on date of award £	Face value on date of award £	Face value as % of salary	Vesting date
Executive Directors as at 31 December 2021						
C Elphick	20 March 2019	230 000	0.904	207 920	44	20 March 2022
M Michael	20 March 2019	170 000	0.904	153 680	50	20 March 2022

REMUNERATION COMMITTEE CONTINUED

Vesting of the awards was dependent on relative TSR against companies in the diamond mining sector (25% of the award) and BT (25%) measured over the period 1 January 2019 to 31 December 2021. Profit and production (50%) were measured on an annual basis with respect to the business plan for the year, with final vesting based on the average achievement of targets over the three years. The performance conditions that applied to these awards are summarised in the table below.

PERFORMANCE MEASURE	Weighting (% of max)	Performance period	Threshold (20% vesting)	Stretch (80% vesting)	Super stretch (100% vesting)	Actual performance	Vesting outcome (% of max)
TSR versus diamond mining peer group	25	3 years	Median	75th percentile	85th percentile	Top of group	25.0
BT	25	3 years	90.0	100.0	110.0	110.0	25.0
Underlying EBITDA (US$ million)	10	2019	55.2	82.8	81.0	40.9	–
		2020	46.5	69.8	76.7	53.2	3.8
		2021	60.9	91.4	100.6	57.4	–
		Average					1.3
EPS (US cents)	10	2019	10.3	15.4	17.0	5.1	0
		2020	8.7	13.0	14.3	9.8	3.1
		2021	15.2	22.7	25.0	10.5	–
		Average					1.0
US$ per carat	10	2019	1 624	2 198	2 417	1 637	2.1
		2020	1 490	2 015	2 217	1 908	6.8
		2021	1 396	1 888	2 077	1 835	7.4
		Average					5.4
Ore tonnes treated (millions)	10	2019	6.6	6.9	7.2	6.7	3.8
		2020	6.6	6.9	7.3	5.4	–
		2021	5.5	5.7	6.0	5.1	–
		Average					1.3
Carats recovered (carats)	10	2019	109 800	128 100	140 300	113 974	3.4
		2020	114 890	134 039	146 804	100 780	–
		2021	122 400	142 800	156 400	115 335	–
		Average					1.1
	100						60.1

For each measure, for achievement between threshold and stretch, and stretch and super stretch, the award vested on a straight-line basis. Achievement of less than threshold received no vesting.

Based on performance to 31 December 2021, 60.1% of the maximum award will vest for Clifford Elphick and Michael Michael in March 2022, subject to their continued employment at the time.

REMUNERATION COMMITTEE CONTINUED

DETAILS OF OUTSTANDING AWARDS OF PERFORMANCE OPTIONS TO DIRECTOR

	Performance options as at 1 January 2021[1]	Granted in the year	Vested in the year	Lapsed in the year	Exercise price £	Date of grant	Earliest normal exercise date	Expiry date	Performance options outstanding as at 31 December 2021
M Michael	**37 088[2]**	–	–	–	177.6	11 September 2012	1 January 2016	31 December 2023	**37 088**

Audited

[1] *An option is a right to acquire shares granted under the plan including, unless indicated otherwise, a zero-cost option. The three-month average share price to December 2021 was 52.69 pence. The highest and lowest closing prices in the year were 65 pence and 43.6 pence respectively. Details of the vesting conditions for awards made under the ESOP are included in note 27 of the financial statements and a full set of the rules will be available for inspection at the AGM.*

[2] *These awards were granted to M Michael before he became a Director.*

DIRECTORS' SHAREHOLDING AND INTERESTS IN SHARES

Details of interests in the share capital of the Company of those Directors in office as at 31 December 2021 are given below. It is confirmed that there were no changes to the Directors' holdings between 31 December 2021 and the date of this report. The GDIP deferred scheme options are not included in the table below. No Director held an interest in the shares of any subsidiary company.

		Performance shares held			Performance options held			
	Shares owned outright as at 31 December 2021	Subject to performance conditions	Unvested and subject to continued employment only	Vested but not exercised	Subject to performance conditions	Vested but not exercised	Total shareholding as a % of salary	Shareholding guideline met
Executive Directors								
C Elphick[1]	**9 325 000**	230 000	138 280	–	–	–	999%	✔
M Michael	**171 849**	170 000	102 207	112 042	–	37 088	52%	[2]
Non-Executive Directors								
H Kenyon-Slaney	**50 000**	–	–	–	–	–	–	n/a
M Lynch-Bell	**–**	–	–	–	–	–	–	n/a
M Brown	**67 124**	–	–	–	–	–	–	n/a
M Maharasoa	**–**	–	–	–	–	–	–	n/a
R Kainyah	**–**	–	–	–	–	–	–	n/a

Audited

[1] *CT Elphick is interested in these ordinary shares by virtue of his interest as a potential beneficiary in a discretionary trust, which has an indirect interest in those ordinary shares.*

[2] *In terms of the shareholding guidelines, M Michael is required to retain at least 50% of his vested awards until the guideline has been met.*

Implementation of remuneration policy for 2022

The Committee determined that base salaries will be increased by 4% for 2022:

	2022 salary £	2021 salary £	% increase
Executive Director			
C Elphick	**511 578**	491 902	4
M Michael	**337 620**	324 635	4

PENSION AND BENEFITS

The Executive Directors will continue to receive cash supplements in lieu of pension and benefits in 2022. From 1 April 2022, the CEO and CFO pension benefits will reduce to 12.2% and 11.2% of basic salary, respectively. Effective 1 January 2023, pension benefits will further reduce to 7.5% of basic salary to align with that of the wider employee group; the timing of this alignment has been accelerated (versus that disclosed in last year's report) based on the Committee's consideration of recent investor guidance and market practice. Pension contributions to any new Executive Director appointments will be capped at the prevailing wider employee group pension rate at the time.

The current allowance in lieu of non-cash benefits will remain unchanged from 2021.

REMUNERATION COMMITTEE CONTINUED

GEM DIAMONDS INCENTIVE PLAN

The Executive Directors will participate in the GDIP in line with the remuneration policy, with a maximum award opportunity of 180% of salary, and with pay-out based on a scorecard of financial, operational and personal objectives measured over the financial year.

The performance measures will continue to support the delivery of the Group's key strategic priorities as set out on page 22 of this Annual Report and Accounts 2021, with 85% linked to business performance and 15% to personal performance. For the business performance element, performance may continue to be linked to the Group's three key strategic priorities of Extracting Maximum Value from Our Operations; Working Responsibly and Maintaining Our Social Licence; and Preparing for Our Future. The weightings that apply to the elements of the scorecard for 2022 are summarised in the table below.

Personal performance	**15%**
Group performance	**85%**
Preparing for Our Future	**10%**
As set out in strategic focus areas	10%
Extracting Maximum Value	**55%**
Underlying EBITDA (US$)	30%
Costs	15%
Carats recovered (carats)	10%
Working Responsibly, Maintaining Social Licence	**20%**
This element of the bonus captures several key metrics around the Group's environmental, safety and social performance. Consistent with the other measures for the GDIP scorecard, the exact measures and targets will be disclosed in full in the 2022 remuneration report.	

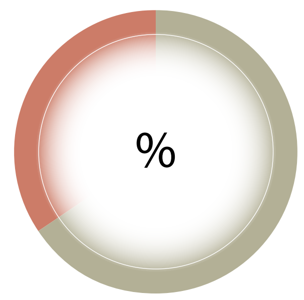
Targets are considered sensitive and will be disclosed in full on a retrospective basis in next year's report. In approving these targets, the Committee considered a range of perspectives on performance outcomes, including internal and external reference points.

DILUTION

Employee share awards may be satisfied with newly issued shares subject to aggregate dilution limits. The issue of shares to satisfy awards under the Company's share schemes will not exceed 10% of the Company's issued ordinary share capital in any rolling 10-year period. As of 31 December 2021, a total of 14 051 555 shares (10% of issued share capital) may be issued pursuant to all current awards outstanding over the last 10 years.

As at 31 December 2021, the Company's headroom position, which remains within the current IA Guidelines, was as shown in the chart to the right:

DILUTION HEADROOM



Headroom	6.58
Outstanding options	3.42

REMUNERATION COMMITTEE CONTINUED

REMUNERATION COMMITTEE CONTINUED

	Date of grant	Performance shares[1] as at 1 January 2021	Granted in the year	Vested in the year	Lapsed in the year	Exercised in the year	Exercise price US$	Market value at date of grant US$	Earliest normal exercise date	Expiry date	Performance shares outstanding as at 31 December 2021
C Elphick (CEO)	10-Jun-14	**58 209**	–	–	–	58 209	0.01	556 200	10-Jun-17	10-Jun-24	–
	01-Apr-15	**33 425**	–	–	–	33 425	0.01	453 100	01-Apr-18	01-Apr-25	–
	15-Mar-16	**49 300**	–	–	–	49 300	0.01	322 000	15-Mar-19	15-Mar-26	–
	04-Jul-17	**59 633**	–	–	–	59 633	0.01	253 000	04-Jul-20	04-Jul-27	–
	20-Mar-18	**230 000**	–	151 586	78 414	151 586	0.01	308 200	20-Mar-21	20-Mar-28	–
	20-Mar-19	**230 000**	–	–	–	–	0.01	274 454	20-Mar-22	20-Mar-29	**230 000**
	09-Jun-20	**230 000**	–	–	–	–	0.01	92 742	09-Jun-23	09-Jun-30	**230 000**
	No shares were awarded in 2021	–	–	–	–	–	–	–			–
Total		**890 567**	–	151 586	78 414	352 153	–	–	–	–	**460 000**
M Michael (CFO)	11-Sep-12	–	–	–	–	–	0.01	68 400	01-Jan-16	31-Dec-23	–
	10-Jun-14	–	–	–	–	–	0.01	302 400	10-Jun-17	10-Jun-24	–
	01-Apr-15	–	–	–	–	–	0.01	334 900	01-Apr-18	01-Apr-25	–
	15-Mar-16	–	–	–	–	–	0.01	238 000	15-Mar-19	15-Mar-26	–
	04-Jul-17	–	–	–	–	–	0.01	187 000	04-Jul-20	04-Jul-27	–
	20-Mar-18	**170 000**	–	112 042	57 958	–	0.01	227 800	20-Mar-21	20-Mar-28	**112 042**
	20-Mar-19	**170 000**	–	–	–	–	0.01	202 858	20-Mar-22	20-Mar-29	**170 000**
	09-Jun-20	**170 000**	–	–	–	–	0.01	68 548	09-Jun-23	09-Jun-30	**170 000**
	No shares were awarded in 2021	–	–	–	–	–	–	–			–
Total		**510 000**	–	112 042	57 958	–	–	–	–	–	**452 042**

Audited
[1] *Conditional right to acquire shares.*

CHAIRPERSON AND NON-EXECUTIVE DIRECTOR FEES

Chairperson and non-Executive Director fees were reviewed in February 2022. Considering appropriate industry benchmarks, it was decided that fees for the Chairperson will be increased by 10% to £134 640 annually, and the fees for non-Executive Directors will be increased by 4% to £58 344 annually.