

Application of the QCA Corporate Governance Code

DELIVER GROWTH

	Principle	Application
1	Establish a strategy and business model which promote long-term value for shareholders	An explanation of the company's business model and strategy, including key challenges in their execution (and how those will be addressed) was included on page 6 of the 2017 Firestone Diamonds plc Annual Report and Accounts for the year ended 30 June 2017 (the 2017 Annual Report).
2	Seek to understand and meet shareholder needs and expectations	<p>The 2017 Annual Report provided information on how the company has maintained an open dialogue with shareholders, and the contact the Board has had with shareholders during the year.</p> <p>Further information will be included on the website following the publication of our 2018 Annual Report.</p>
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>We appreciate that long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (government partners, suppliers, customers, regulators, and others).</p> <p>Our stated objective is to be the trusted partner of choice for stakeholders and local communities alike.</p> <p>Our Employment opportunities are offered to local communities first. We have open dialogue with our local communities and we work closely with them to identify and develop sustainable projects which will improve living standards.</p> <p>We also operate very strict environmental practices.</p> <p>We have set out more detail on our relationship with our stakeholders in the report entitled "Health, Safety, the Environment and Community" on pages 18 – 19 of the 2017 Annual Report.</p> <p>Further information on our dialogue with stakeholders will be published on our website in due course.</p>
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	Our risk management framework and approach to risk is summarised on pages 8 to 10 of the 2017 Annual Report

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

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5	Maintain the board as a well-functioning, balanced team led by the chair.	The names of the current directors and the designation of those who are considered to be independent are set out on pages 20 – 21 and page 23 of the 2017 Annual Report.

		<p>Details of Directors attendance at meetings is set out on page 24 of the 2017 Annual Report.</p> <p>The time commitment required by Non-Executive Directors is set out in the respective letters of appointment. More detail will be provided in the 2018 Annual Report.</p>
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	<p>The current directors, their background and experience are identified on pages 20 – 21 of the 2017 Annual Report and the skills sets of the Board as a whole is set out on page 23.</p> <p>The Remuneration Committee took advice from FIT Remuneration Consultants LLP in 2017. The Company will provide further information on its advisers in the 2018 Annual Report.</p> <p>The Company Secretary provides governance advice to the Board. The Company does not have a Senior Independent Director. Given the current stage of its development the Board does not believe that the appointment of a Senior Independent Director would currently add value to the operation of the Board. In addition, the Chairman and other Non-Executive Directors are available to shareholders as communication channels if required. The need for a Senior Independent Director will, however, be kept under review.</p>
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>A formal internal performance evaluation, by way of questionnaire, will be carried out in 2018 and details of the process and findings will be published in the 2018 Annual Report and on the website.</p>
8	Promote a corporate culture that is based on ethical values and behaviours	<p>The Company's corporate culture is set out in our 2017 Annual Report Strategic Report on pages 6 – 7 and the "Health, Safety, the Environment and Community" Report on pages 18 – 19.</p> <p>Further detail will be provided in our 2018 Annual Report and published on the website.</p>
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	<p>The roles and responsibilities of the chair, chief executive and any other directors who have specific individual responsibilities or remits are set out on pages 20 to 23 of the 2017 Annual Report.</p> <p>The Board has a schedule of matters reserved for the Board which requires the following key matters to be considered and approved by the Board:</p> <ul style="list-style-type: none"> - approval of long-term objectives and strategy; - approval of revenue and capital budgets and plans; - review of performance in light of strategy and budgets ensuring any necessary corrective actions are taken; - approval of the Annual Report and Accounts, material contracts and major projects; - determination of the financial structure of the Group including the dividend policy; - oversight of the internal control and risk management environments; and

		- approval of communication with shareholders and the market.
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BUILD TRUST

	Principle	Application
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	<p>Reports on the work of the Board and its committees are set out in the 2017 Annual Report.</p> <p>Copies of previous annual reports are available on the Company's website.</p> <p>Results of voting are announced immediately after each AGM.</p>