



12 May 2025

LSE: PDL

Petra Diamonds Limited
("Petra" or the "Company")

Update on result of 2024 AGM

At the Company's Annual General Meeting held on 13 November 2024 (the **AGM**), all resolutions set out in the revised Notice of AGM and put to the AGM were passed with the requisite majority of votes.

However, it is noted that the following three resolutions received a significant number of votes cast against them:

- Resolution 3: this was an ordinary resolution relating to the re-appointment of BDO LLP as the Company's auditor until the conclusion of the Company's next AGM. This resolution passed with 79.59% of votes cast in favour;
- Resolution 6: this was an ordinary resolution relating to the re-election of Richard Duffy as a Director of the Company until the next AGM or until his office is otherwise vacated. This resolution passed with 79.56% of votes cast in favour; and
- Resolution 12: this was an advisory vote to support the appointment of Ms Alex Watson as a Board observer from 17 February 2024, entitling her to attend but not vote at Board meetings. This resolution was supported with 59.63% of votes cast in favour.

As stated in the announcement published by the Company on the date of the AGM and in accordance with Provision 4 of the UK's Corporate Governance Code (the **Code**), Petra has now consulted with its significant shareholders who voted against the abovementioned resolutions to hear their views and better understand their concerns. The Board is grateful to the shareholders who provided feedback on these resolutions.

Resolution 3

Consultations with a significant shareholder who voted against this resolution indicated that they have a policy of voting against auditors who have been in role for more than ten years. This shareholder noted that their vote against was not a reflection on the performance of BDO or their report in the FY24 Annual Report.

The Company notes that BDO has been the Company's auditor since FY 2006 and therefore will have been in this role for 20 years by the end of FY 2025. Over this period, the Board has continued to monitor the independence and objectivity of BDO, as it is required to do. The Company will take into account both this vote against the reappointment of BDO as the Company's auditors and also good governance practices when assessing the appropriate timing for auditor rotation.

Resolution 6

On 17 February 2025, Petra announced that Richard Duffy had resigned as Chief Executive Officer and Director of the Company by mutual agreement and with immediate effect and so no consultation with shareholders on this resolution was deemed necessary.

Resolution 12

As noted in the revised Notice of AGM, this resolution gave shareholders an opportunity to cast an advisory vote on their support for the appointment of Alex Watson as a Board observer, noting that the outcome of such vote does not bind the Company or affect the contractual rights of Franklin Templeton (who appointed Alex) to appoint a Board observer pursuant to the Nomination Agreement that was entered into between Franklin Templeton and the Company in December 2020 as part of the recapitalisation of the Company (the **Nomination Agreement**).

Alex Watson was originally appointed as a non-independent Non-Executive Director of the Company pursuant to the Nomination Agreement. The Nomination Agreement also gives Franklin Templeton the right to nominate a Board observer who is entitled to attend but not vote at Board meetings.

The Nomination Agreement terminates, *inter alia*, upon Franklin Templeton ceasing to hold 5 per cent. or more of the shares in the Company but is otherwise not generally terminable by either the Company or Franklin Templeton giving the other party notice in writing. Franklin Templeton's shareholding in the Company is, as at 12 May 2025, understood to be 5.03 per cent.

In December 2023, the Company asked Franklin Templeton for Alex Watson to become a Board observer as part of the Company's efforts to reduce the size and costs of the Board. Franklin Templeton agreed to this change, with Alex stepping down as a non-independent Non-Executive Director with effect from 17 February 2024 and becoming a Board observer from that date, though Franklin Templeton retained their right to nominate a director under the Nomination Agreement.

During consultations, significant shareholders who voted against this resolution expressed their view that they do not consider it appropriate for a shareholder with only a 5.03 per cent. shareholding in Petra to have a right to appoint a Board observer, particularly when comparing this right to the Board representation that much larger shareholders have on the Board.

As set out in the revised Notice of AGM and in light of the vote on this resolution, the Company has engaged with Franklin Templeton on the exercise of its rights under the Nomination Agreement. Franklin Templeton has confirmed that it does not currently propose to change Alex's appointment as a Board observer or its rights under the Nomination Agreement.

The Board thanks the shareholders who took part in this consultation process. Petra recognises the importance of ongoing engagement with all shareholders and looks forward to further dialogue. In accordance with the Code, a final summary of this consultation will be provided in the Company's 2025 Annual Report.

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