

HEALTH SAFETY AND ENVIRONMENTAL (HSE) COMMITTEE TERMS OF REFERENCE

1. PURPOSE AND MANDATE OF THE COMMITTEE

- 1.1 The Committee is constituted as a Committee of the Board of Directors of the Company. In the context of these terms of reference, “Company” means Petra Diamonds Limited, its subsidiaries and other group business units.
- 1.2 The Committee’s roles and responsibilities are set out hereunder. The duties of the members of the Committee are in addition to those as members of the Board, as applicable.
- 1.3 The Committee will assist the Board in discharging its oversight responsibilities relating to HSE matters, to ensure the Company upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner. In doing so, the Committee may delegate any of its powers to a person or committee of persons, but shall not abdicate its responsibilities stipulated in these terms of reference.
- 1.4 At every level of the organisation, line managers are responsible for health, safety and environmental matters. The ultimate accountability for health, safety and environmental matters will remain with the Board.
- 1.5 These terms of reference are subject to the Company’s bye laws and UK Corporate Governance Code.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The Committee shall comprise at least one non-executive director and one executive director, serving as members of the Committee, of which the non-executive director shall act as Chairperson. In the event of his/her absence, the Committee will elect a Chairperson for the meeting.
- 2.2 In addition to the above, the Chief Operating Officer will be a member of the Committee.
- 2.3 Appointments to the Committee shall be for a period of up to 3 years extendable by further periods of up to 3 years, as long as the members continue to meet the criteria for membership of the Committee.
- 2.4 Only members of the Committee are entitled to attend meetings, however other directors, external advisors and senior managers may be invited to the meetings when required.

3. MEETINGS AND QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two members including at least one non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

- 3.2 Members of the Committee may attend in person or participate by other means, including teleconference or video conference.
- 3.3 The Company Secretary or their nominee shall act as secretary of the Committee.
- 3.4 The Committee shall meet at least twice a year and at such other times as may be required. Notice of a meeting as well as the agenda and working papers shall be sent to the Committee at least 5 days prior to the meeting. Minutes of the meeting shall be distributed to the Members promptly after the meeting.
- 3.5 Should a meeting of the Committee not be quorate, the actions taken by the Committee in terms of the resolutions taken at such non-quorate meeting shall be ratified by the Board.
- 3.6 Committee members are expected to attend all scheduled meetings of the Committee, whether in person or via telephone/video conference. If absent, the submission of a prior apology to the Chairperson or Company Secretary is required.

4. AUTHORITY OF THE COMMITTEE

- 4.1 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.2 The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.
- 4.3 The Committee is authorised to seek any information it requires from any employees or officers through any of the Company's executives.
- 4.4 The Committee is authorised to obtain, at the Company's expense, subject to any budgetary constraints imposed by the Board, expert advice from the Company's auditors, professional advisers or otherwise, and to take independent professional advice and to require the attendance of outsiders with relevant experience and expertise if it considers it necessary.
- 4.5 The Committee is authorised to select, set the terms of reference and appoint consultants, at the Company's expense, subject to any budgetary constraints imposed by the Board.
- 4.6 The Committee may delegate its authority as per the Petra Group Delegation of Authority Policy and Matrix, which is approved by the Board. The Matrix will be attached as an annexure to these terms of reference and will be updated as and when amendments are made to the Matrix through the necessary approval framework.

5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

- 5.1 The Committee shall discharge the duties below for the Company and Group as appropriate, by:
 - 5.1.1 assessing the policies and systems within the Group for ensuring compliance with material local and international legal and regulatory requirements with respect to health, safety and environmental aspects;

- 5.1.2 evaluating the effectiveness of the Group's framework, policies and systems for identifying and managing health, safety and environmental risks within the Group's operations;
- 5.1.3 considering technical developments in the fields of health, safety and environmental management and practice and, where appropriate, to have the impact of these on the business assessed and to provide appropriate strategic guidance;
- 5.1.4 assessing the performance of the Group regarding the impact of health, safety and environmental decisions and actions upon employees, communities and other stakeholders. It shall also assess the impact of such decisions and actions on the reputation of the Group;
- 5.1.5 recommending to the Board, amongst other things, the formulation and setting of objectives and Key Performance Indicators (KPIs) to be achieved;
- 5.1.6 reviewing the Group's HSE Objectives and KPI's performance on a quarterly basis;
- 5.1.7 reviewing reports, on behalf of the Board, from management concerning all fatalities and significant HSE incidents and accidents within the Group and actions taken by management in this regard;
- 5.1.8 reviewing the Group's public disclosure on HSE matters and approving it for submission to the Board as necessary;
- 5.1.9 ensuring, on behalf of the Board, that an internationally recognised Health and Safety Management System and an Environmental Management System are implemented and maintained;
- 5.1.10 ensure systems are in place for subsidiaries to record and submit statistical data that may be required for legal, regulatory and other external reporting. The data must meet or exceed the level of 'reasonable assurance' and the reporting criteria that will meet internal/external stakeholder requirements;
- 5.1.11 reviewing and reporting on material non-compliance by the Company and departures from policy, guidelines and appropriate local and international standards;
- 5.1.12 receiving and considering HSE Compliance, Assurance and Performance (CAP) audit schedules carried out in terms of both legal, regulatory and other adopted requirements;
- 5.1.13 communicating, where applicable, its material HSE risks to the Audit and Risk Committee of the Board; and

6. REPORTING

- 6.1 The Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.

6.3 The Committee shall produce a report to be included in the Company's annual report about its activities and the Chairperson of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholders' questions on the Committee's activities.

7. OTHER

7.1 The Committee shall:-

7.1.1 arrange for periodic review of its own performance and, at least annually review its terms of reference to ensure its effectiveness and recommend any changes it considers necessary to the Board for approval;

7.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; and

7.1.3 give due consideration to any laws and regulations which may be applicable to its scope of work.

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