

REMUNERATION 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 the Company’s executive directors, Group’s senior executives, management and non-management and such other matters as set out in these terms of reference.
- 1.4 These terms of reference are subject to the Company’s bye laws and the UK Corporate Governance Code.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The Committee shall be appointed by the Board on recommendation of the Nomination Committee and in consultation with the chairperson of the Remuneration Committee for the appointment of new, or removal of existing, members. The Committee shall comprise at least three directors, all of whom shall be independent non-executive directors of the Company. Appointments to the Committee shall be for a period of up to 3 years extendable by no more than 2 additional 3 year periods, so long as members continue to be independent. 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.
- 2.2 The Chairperson of the Committee shall be appointed by the Board and shall be an independent non-executive director. The Chairperson will normally have served on a remuneration committee for at least 12 months. In the absence of the Committee Chairperson, the remaining members present shall elect one of the Committee members to chair the meeting. The Chairperson of the Board may be a member of the Committee, if he or she is considered independent on appointment as Chairperson. The Chairperson of the Board may however not also be the Chairperson of the Committee.

3. MEETINGS AND QUORUM

- 3.1 The Company Secretary or their nominee shall act as secretary of the Committee.
- 3.2 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.
- 3.3 Minutes of the meeting shall be distributed to the Members promptly after the meeting.
- 3.4 The quorum required for the transaction of business shall be two members.

- 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 The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.
- 4.2 The Committee is authorised to seek any information it requires from any employees or officers through any of the Company's executives.
- 4.3 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.
- 4.4 The Committee is authorised to select, set the terms of reference and appoint remuneration consultants at the Company's expense.
- 4.5 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 Committee members will utilise their personal skills, knowledge and judgement to perform the responsibilities set out below:

The Committee shall:

- 5.1.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's chief executive officer, Chairperson of the Board, the executive directors and other members of Senior Management (being the members of the Executive Committee and the Company Secretary). The remuneration of non-executive directors shall be a matter for the Chairperson of the Board and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;

- 5.1.2 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 5.1.3 review the ongoing appropriateness and relevance of the Remuneration Policy;
- 5.1.4 approve the design of, and determine targets for, any performance related pay schemes applicable to members of Senior Management and approve the total payments made under such schemes;
- 5.1.5 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to the executive directors and other designated executives and senior managers and the performance targets to be used;
- 5.1.6 determine the policy for, and scope of, pension arrangements for executive directors and other executives;
- 5.1.7 ensure that contractual terms on termination, and any payments made, for members of Senior Management are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 5.1.8 within the terms of the agreed policy and in consultation with the Chairperson of the Board and/or chief executive officer as appropriate, determine the total individual remuneration package of the Chairperson of the Board and members of Senior Management including bonuses, other benefits, incentive payments and share options or other share awards and benefits;
- 5.1.9 agree the policy for authorising claims for expenses from the directors;
- 5.1.10 review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration;
- 5.1.11 oversee any major changes in employee benefits structures throughout the Company and/or the Group and give advice on any such changes;
- 5.1.12 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee, within any budgetary constraints imposed by the Board;
- 5.1.13 review and note annually the remuneration trends across the Group; and
- 5.1.14 obtain reliable, up-to-date information about remuneration in other companies.

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 is needed.
- 6.3 The Committee shall produce a Directors' Remuneration Report to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.
- 6.4 The Committee shall ensure that the Directors' Remuneration Policy Report is reviewed and updated every three years, or as required, and put to shareholders for approval at the Annual General Meeting.
- 6.5 The Committee shall provide a corporate governance statement for the Directors' Remuneration Report, setting out a description of the composition and operation of the Committee and the Chairperson should attend the AGM to answer any shareholder questions on the committee's activities.

7. OTHER

The Committee shall:-

- 7.1 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;
- 7.2 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
- 7.3 give due consideration to relevant laws and regulations, which may be applicable to its scope of work.

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