

SOCIAL, ETHICS AND DIVERSITY (SED) 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, the 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 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, and shall be made up of at least three directors or members of the Executive Committee. The majority of the Committee should be independent, non-executive directors of the Company. Only members of the Committee are entitled to attend and vote at 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. In absence of the Committee Chairperson, the remaining members present shall elect one of the Committee members to chair the meeting.

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. Minutes of the meeting shall be distributed to the Members promptly after the meeting.
- 3.3 The quorum required for the transaction of business shall be two members, comprising a majority of independent non-executive directors.
- 3.4 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.

- 3.5 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 acts in terms of the delegated authority of the Board and has the power to investigate any activities within the scope of these terms of reference. The Committee can therefore:

4.1.1 seek any information it requires from any employee of the Company in order to perform its duties and all employees shall be directed to cooperate with any request made by the Committee, subject to such a request being made via the relevant executive;

4.1.2 call any employee to be questioned on issues related to SED and Social-Span at a meeting of the Committee as and when required, provided that this is arranged through the relevant executive;

4.1.3 obtain, at the Company's expense, subject to any budgetary constraints imposed by the Board, outside 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; and

4.1.4 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 SED aspects, including organisational ethics, corporate citizenship, social sustainable development, stakeholder relationships and diversity;

5.1.2 evaluating the effectiveness of the Group's framework, policies and systems for identifying and managing SED risks within the Group;

5.1.3 considering technical developments in the fields of SED 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 SED 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 monitoring and evaluating the Company organisational culture against the Mission and Vision of the Company;
- 5.1.6 Recommending to the Board, amongst other things, the formulation and setting of objectives and Key Performance Indicators (KPIs) to be achieved;
- 5.1.7 advising the Board on issues of diversity in general and gender diversity in particular as a strategic imperative for the Company;
- 5.1.8 Reviewing the Group's SED Objectives and KPI's performance on a quarterly basis;
- 5.1.9 reviewing reports, on behalf of the Board, from management concerning all significant SED incidents within the Group and actions taken by management in this regard;
- 5.1.10 reviewing the Group's public disclosure on SED matters and approving it for submission to the Board as necessary;
- 5.1.11 ensuring, on behalf of the Board, that an appropriate Stakeholder Engagement Management System is implemented and maintained;
- 5.1.12 ensuring 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;
- 5.1.13 reviewing and reporting on material non-compliance by the Company and departures from policy, guidelines and appropriate local and international standards;
- 5.1.14 communicating, where applicable, its material SED risks to the Audit and Risk Committee of the Board;
- 5.1.15 identifying and/or ratifying those material issues related to SED which could impact the continued sustainability of the Company. These issues are to be included in the Annual Sustainability Report as material and will be reported as such;
- 5.1.16 considering any other matters referred to it from time to time by the Board as it relates to SED issues;
- 5.1.17 approve the development and implementation of the Group's Code of Ethical Conduct;
- 5.1.18 recommending the annual Sustainability Report for approval by the Board, after having reviewed and taken the following into account:
 - I. whether the content of the summarised information provides a balanced view;
 - II. whether the required information in terms of sustainable development for the Sustainability Report has been provided;
 - III. the disclosure of sustainability issues and ensuring that it is reliable and does not conflict with the financial information;

- IV. that a recommendation has been given to the Board whether or not to engage an external assurance provider to provide assurance on the material sustainability elements of the Sustainability Report; and
- V. the information provides a proper appreciation of the key drivers that will enable the Company to achieve these forward-looking results.

6. REPORTING

- 6.1 The Committee Chairperson shall report formally 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 recommend and provide input into the Group Sustainability Report and Annual Financial Report as it relates to SED issues for approval by the Board.
- 6.4 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

The Committee shall:-

- 7.1 arrange for a periodic review of its own performance and, at least annually review its terms of reference to ensure it is operating effectively 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 laws and regulations which may be applicable to its scope of work.

14 October 2019