

**INVESTMENT COMMITTEE
TERMS OF REFERENCE**

1. PURPOSE AND MANDATE

- 1.1 The Investment Committee (“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 deliberations of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities and they must continue to exercise due care and judgement in accordance with their statutory obligations. These terms of reference are subject to the provisions of the Company's bye-laws, any applicable law or regulatory provision and the UK Corporate Governance Code 2018.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The members of the Committee shall be appointed by the board and shall comprise of at least the Chair of the Audit and Risk Committee (who must be an independent non-executive director in accordance with that committee’s Terms of Reference), 1 non-independent non-executive director, the Chairman of the board, the Chief Executive Officer and the Finance Director, provided that the number of independent non-executive directors is always at least the same as the number of non-independent non-executive directors.
- 2.2 The Chairman of the board shall act as the Chairperson of the Committee but in the absence of the Chairperson, the remaining members of the Committee shall elect one of the Committee members to chair the meeting.
- 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 provided that the members continue to meet the criteria for membership of the Committee.
- 2.4 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 Committee meetings when required.

3. MEETINGS AND QUORUM

- 3.1 The Committee shall meet at least twice a year and at such other times as may be required. Meetings may also be convened at the request of the Chairperson of the Committee. Notice of a meeting as well as the agenda and working papers shall, whenever possible, be sent to members of the Committee at least 5 days prior to the meeting. Minutes of the meeting shall be distributed promptly after the meeting.
- 3.2 The quorum required for the transaction of business at a meeting shall be 3, of which at least 1 shall be an independent non-executive director and 1 shall be a non-independent non-executive director. Persons in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.
- 3.3 Members of the Committee shall attend all scheduled meetings of the Committee, whether in person or via telephone/video conference unless prior apology with reasons has been submitted to the Chairperson or the Company Secretary.
- 3.4 The Company Secretary or their nominee shall act as secretary of the Committee.

4. ROLE OF THE COMMITTEE

4.1 The Committee has an independent role, operating as a decision maker and to make recommendations to the board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of management.

4.2 The role of the Committee is to

- consider and approve all capital expenditure and investment proposals from USD7.5 million to USD15million;
- consider and make recommendations to the board for all capital expenditure and investment proposals above USD15million;
- consider and make recommendations to the board for the disposal of operating subsidiaries, operating mines and/or mining rights or assets exceeding USD7.5 million in either gross book value or reasonably expected market value; and
- consider and make recommendations to the board related to Group Capital Expenditure and related policies.

5. RESPONSIBILITIES OF THE COMMITTEE

5.1 The Committee's functions shall be to

- consider, approve or make recommendations to the board on capital expenditure and investment proposals;
- monitor progress of major capital investments by way of the investment progress schedule together with post-implementation reviews;
- approve internal processes relating to capital expenditure and investment proposals, including all documentation required to be completed.

6. AUTHORITY

6.1 The Committee is authorised in terms of the delegated authority of the board as recorded in these terms of reference and has the power to investigate any activity or state of affairs within the scope of its terms of reference.

The Petra Group Delegation of Authority Policy and Matrix, as approved by the board, 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.

6.2 The Committee, in the fulfilment of its duties, may call upon the chairperson of the other board committees, any of the executive directors, officers or company secretary to provide it with information subject to following a board approved process.

6.3 The Committee may 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.

7. REPORTING

- 7.1 The Chairperson shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is required.
- 7.3 The Committee shall produce a report to be included in the Company's annual report about its activities and the Chairperson should attend the AGM to answer shareholder questions.

8. OTHER

8.1 The Committee shall

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

25 January 2021