Petra Diamonds US$ Treasury Plc

U.S.$336,656,000 Senior Secured Second Lien Notes due March 8, 2026

Guaranteed on a senior basis by Petra Diamonds Limited and certain of its subsidiaries

Petra Diamonds US$ Treasury Plc, a limited company under the laws of England and Wales (the "**Issuer**") has issued U.S.$336,656,000 Senior Secured Second Lien Notes due 2026 (the "**Notes**") on March 9, 2021 (the "**Issue Date**") in partial exchange for the Issuer's $650,000,000 7.25% Senior Secured Second Lien Notes due 2022 (the "**Existing High Yield Notes**") pursuant to a scheme of arrangement (see Part 3 "*Consensual Restructuring*").

The Notes will bear interest (i) at a rate of 10.50% per annum from and including March 9, 2021 to but excluding June 30, 2023 and (ii) at a rate of 9.75% from and including June 30, 2023 until the Maturity Date (as defined below). Interest will be paid semi-annually in arrears on June 30 and December 31 in each year (each an "**Interest Payment Date**"). The first Interest Payment date will be June 30, 2021 The Notes will mature on March 8, 2026 (the "**Maturity Date**").

If the Company (as defined below) undergoes a Change of Control (as defined herein), the Issuer may be required to make an offer to purchase the Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. In the event of certain developments affecting taxation, the Issuer may redeem all, but not some only, of the Notes.

The Issuer is a direct, wholly owned subsidiary of Petra Diamonds Limited (the "**Company**"), a holding company that conducts its operations primarily through its subsidiaries. The Notes will be senior secured debt of the Issuer ranking *pari passu* in right of payment to all of the Issuer's existing and future senior indebtedness. The Notes will be guaranteed, jointly and severally, on a senior basis by the Company and certain of its subsidiaries (each a "**Guarantor**" and together, the "**Guarantors**"), ranking *pari passu* in right of payment with all of the relevant Guarantors' existing and future senior indebtedness (the "**Guarantees**"). The obligations of the Issuer under the Notes and each Guarantor under the Guarantees will also be indirectly secured on a second-priority basis through a limited recourse second-priority South African law guarantee granted by the Security SPV (as defined below) (the "**Security SPV Guarantee**"). The Security SPV will also provide a first-priority South African law guarantee in favor of the Senior Facilities and other Indebtedness of the Company and the Company's Subsidiaries (the "**First Ranking Security SPV Guarantees**"). The Security SPV will, in turn, have the benefit of security interests in certain mining rights and property of the Company and its subsidiaries, as described in "*Part 7: Description of Certain Financing Arrangements" under "—Description of the Collateral*", but in the event of enforcement of such Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Senior Facilities and the creditors under any other Indebtedness having the benefit of the First Ranking Security SPV Guarantee or otherwise secured by first priority security have been repaid in full. The Security SPV Guarantee is further supported by a counter indemnity agreement (the "**Counter-Indemnity Agreement**") entered into by the Issuer and the Guarantors with the Security SPV to indemnify the Security SPV against any loss, cost, liability or expense which the Security SPV may suffer or incur under or in connection with the Security SPV Guarantee and the First Ranking Security SPV Guarantee.

The Guarantees and the Collateral will be subject to contractual and legal limitations under relevant local laws and may be released under certain circumstances (as described in Part 8 "*Description of the Notes*"). In the event of enforcement of the Collateral, the holders of the notes (the "**Noteholders**") will receive proceeds from the Collateral only after the lenders under the Senior Facilities (as defined herein). **The security interests in the Collateral will be released automatically under certain circumstances and, subject to certain limited exceptions, Noteholders will have no ability to enforce the Collateral** (see Part 8 "*Description of the Notes*").

This prospectus (the "**Prospectus**") includes a description of the terms of the Notes and the Guarantees, including redemption and repurchase prices, financial covenants and transfer restrictions.

This Prospectus has been approved by the Central Bank of Ireland (the "**CBI**") as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The CBI only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed under Irish and European Union Law (the "**EU**") pursuant to the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, the Company, the Guarantors or the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market of Euronext Dublin**"). The Notes were delivered in book-entry form through Euroclear and Clearstream and credited to investors' accounts for value on March 9, 2021. The Issuer cannot assure the Noteholders that any active trading market will develop for the Notes.

As at the date of this Prospectus, the corporate family rating of the Company is Caa1 and probability of default rating of the Company is Caa1-PD by Moody's Investors Service Limited ("**Moody's**") and long-term credit rating of the Company is B- by S&P Global Ratings Europe Limited ("**S&P**"). The Notes have been rated Caa2 by Moody's and B- by S&P. Please refer to part 11 "*Listing and General Information*" section herein for an explanation of these ratings. Moody's is not established in the European Union nor registered under Regulation (EC) No 1060/2009 (as amended, the "**EU CRA Regulation**"). Moody's Deutschland GmbH currently endorses credit ratings issued by Moody's, for regulatory purposes in the European Union in accordance with the EU CRA Regulation. Moody's

Deutschland GmbH has been registered under the EU CRA Regulation and are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. There can be no assurance that Moody's Deutschland GmbH will continue to endorse credit ratings issued by Moody's. S&P is established in the European Union and registered under the EU CRA Regulation. Moody's is established in the United Kingdom and registered under Regulation (EC) No 1060/2009 as it forms part of United Kingdom domestic law by virtue of the European (Withdrawal) Act 2018 (the "**EUWA**") and the regulations made under the EUWA (the "**UK CRA Regulation**") and are included in the list of credit rating agencies published by the Financial Conduct Authority (the "**FCA**") on its website (https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras) in accordance with the UK CRA Regulation. S&P is not established in the United Kingdom nor registered under the UK CRA Regulation. S&P Global Ratings UK Limited currently endorses credit ratings issued by S&P, for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation. S&P Global Ratings UK Limited has been registered under the UK CRA Regulation and are included in the list of credit rating agencies published by the FCA. There can be no assurance that S&P Global Ratings UK Limited will continue to endorse credit ratings issued by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Prospectus is valid for 12 months. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once the Notes are admitted to the Official List and trading on the regulated market of Euronext Dublin.

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 18.

In making their investment decision, potential investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide any other information and potential investors should not rely on such information. The Company has issued the Notes only to holders located in places where this is permitted. Prospective investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front cover of this Prospectus. The Company's business or financial condition and other information in this Prospectus may change after that date.

The date of this Prospectus is May 7, 2021

IMPORTANT INFORMATION

THIS PROSPECTUS CONTAINS IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE MAKING ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

Prospective Investors should rely only on the information contained in this Prospectus. The Issuer and the Company have not authorized anyone to provide prospective investors with any information or represent anything about the Issuer, the Company, the Issuer or the Company's financial results that is not contained in this Prospectus, and any such information should not be relied upon. The Issuer or the Company are not making an offer of the Notes. The information in this Prospectus is current only as of the date on the cover, and the Company's business or financial condition and other information in this Prospectus may change after that date.

This Prospectus should be read before making a decision whether to purchase any Notes. Do not:

- use this Prospectus for any other purpose;
- make copies of any part of this Prospectus or give a copy of it to any other person; or
- disclose any information in this Prospectus to any other person, other than a person retained to advise in connection with the purchase of the Notes.

This Prospectus does not constitute an offer to any person or to the public generally to subscribe for or otherwise acquire the Notes.

Prohibition of Sales to Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor. For these purposes, a retail investor means a person who is not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**").

Prohibition of Sales to Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor. For these purposes, a retail investor means a person who is a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**").

MiFID II product governance / Professional investors and eligible counterparties only target market – for the purposes of any entity's product approval process and product governance requirements as a MiFID II (as defined below) **"manufacturer"** or **"distributor"** the target market assessment in respect of the Notes is : (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the target market for the Notes does not include any retail investor, being a person who is a retail client as defined in point (11) of Article 4(1) of MIFID II. Any person subsequently offering, selling or recommending the Notes (an **"EU distributor"**) should take into consideration this target market assessment; however, an EU distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining this target market assessment) and determining appropriate distribution channels but will not include retail clients within such target market (who are considered within the negative target market for product governance requirements under MiFID II). The Issuer accepts no liability whatsoever in relation to any aspect of any third party's MiFID II product governance requirements.

In addition, none of the Issuer, the Company, or any of its or their respective representatives, is making any representation regarding the legality of an investment in the Notes, and anything in this Prospectus should not be construed as legal, regulatory, business or tax advice. Legal, regulatory, tax and business advisors should be consulted regarding an investment in the Notes. Investors are responsible for making their own examination of the Company and their own assessment of the merits and risks of investing in the Notes. The Issuer or the Company are not making any representation regarding the legality of an investment in the Notes under appropriate legal investment or similar laws. All laws applicable in any jurisdiction (and obtain all applicable consents and approvals) in which Notes are bought, offered or sold or where this Prospectus is distributed

must be complied with. The Issuer or the Guarantors shall not have any responsibility for any of the foregoing legal requirements.

The information contained in this Prospectus has been furnished by the Issuer, the Company and other sources they believe to be reliable. This Prospectus contains summaries, believed to be accurate, of some of the terms of specific documents relating to the Consensual Restructuring, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents. All summaries are qualified in their entirety by this reference.

No person is authorized in connection with any offering made by this Prospectus to give any information or to make any representation not contained in this Prospectus and, if given or made, any other information or representation must not be relied upon as having been authorized by the Issuer or the Company. The information contained in this Prospectus is accurate as of the date hereof. Neither the delivery of this Prospectus at any time nor any subsequent commitment to purchase the Notes shall, under any circumstances, create any implication that there has been no change in the information set forth in this Prospectus or in the Company's business since the date of this Prospectus.

This communication is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations, etc**") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "**relevant persons**"). This prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under the securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, resold, transferred, distributed or delivered, directly or indirectly, in, into or from the United States. This document does not constitute an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, this document will not be distributed in or into the United States. The Notes are being made available (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) in the United States to a limited number of institutional accredited investors (as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) under the U.S. Securities Act) ("**Institutional Accredited Investors**") in transactions exempt from the registration requirements of the U.S. Securities Act. There will be no public offer of the Notes in the United States.

Neither the U.S. Securities and Exchange Commission (the "**SEC**") nor any state securities commission in the United States has approved or disapproved of the Notes or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States and could be a criminal offense in other countries.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "*Notice to Investors*".

For the convenience of the reader, the Company has included the address of certain websites elsewhere in this Prospectus. The contents of these websites are not incorporated by reference or otherwise included in this Prospectus.

The distribution of this Prospectus and any offer and sale of the Notes are restricted by law in some jurisdictions. This Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Each prospective offeree or purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Prospectus, and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it

makes such purchases, offers or sales, and none of the Issuer or the Guarantors shall have any responsibility therefor. See "*Notice to Prospective Investors*", "*Plan of Distribution*" and "*Notice to Investors*".

Designation of the Company and its subsidiary incorporated in Bermuda for Exchange Control Act purposes

The Company and its subsidiary incorporated in Bermuda, Willcroft Company Limited, have been designated as "non-resident" in Bermuda for the purposes of the Exchange Control Act 1972 of Bermuda (and its related regulations). Accordingly, both the Company and Willcroft Company Limited are free to acquire, hold and sell foreign currency and securities without restriction.

Responsibility for the information contained in this Prospectus

The information contained in this Prospectus was current as at the date of this Prospectus.

The Issuer, Company and Guarantors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, Company and Guarantors, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has made all reasonable inquiries and confirms to the best of its knowledge, information and belief that the information contained in this prospectus with regard to it and its subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this prospectus are honestly held and that the Issuer is not aware of any other facts, the omission of which would make this prospectus or any statement contained herein misleading in any material respect.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see Part 12 "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that those documents are incorporated in and form part of this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see Part 12 "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinized by the CBI.

The information set out in relation to sections of this prospectus describing clearing and settlement arrangements, including in the "*Description of Notes*" and "*Book-entry, delivery and form*" sections of this prospectus is subject to a change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning Euroclear or Clearstream, Luxembourg, the Issuer accepts no further responsibility in respect of such information.

Use of defined terms in this Prospectus

Certain terms or phrases in this Prospectus are defined in double quotation marks and bold type and subsequent references to that term are designated with initial capital letters. The locations in this Prospectus where these terms are defined are set out in the Glossary of this Prospectus.

In this Prospectus, references to the "**Issuer**" are to Petra Diamonds US$ Treasury Plc, which is the issuer of the Notes, and references to the "**Company**" are to Petra Diamonds Limited, who is one of the Guarantors. See Part 4 ("*Description of the Issuer*") and 6 ("*Description of the Group*").

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward-looking statements". The words "believe", "estimate," "target", "anticipate", "expect", "could", "would", "intend", "aim", "plan", "predict", "continue" "assume", "positioned", "may", "will", "should", "shall", "risk", their negatives and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. In particular, the statements under Part 1 ("*Summary*"), Part 2 ("*Risk Factors*") and Part 6 ("*Description of the Group*") of this Prospectus regarding the Company's or the Group's strategy, plans, objectives, goals and other future events or financial prospects are forward-looking statements. An investor should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's or the Group's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this document and/or information incorporated by reference into this document. In addition, even if the Company's or the Group's results of operation, financial position and growth and the development of the markets and the industry in which the group operates are consistent with the forward-looking statements contained in this document, these results or developments may not be indicative of results or developments in subsequent periods. The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue. Factors that may cause the Company's and/or the Group's actual results to differ materially from those expressed or implied by the forward-looking statements in this document include but are not limited to the risks described in Part 2 ("*Risk Factors*") of this document.

Each forward-looking statement speaks only as of the date it was made and is not intended to give any assurance as to future results. Furthermore, forward-looking statements contained in this document that are based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Issuer will comply with its obligations to publish updated information as required by applicable law and/or by any regulatory authority, but assumes no further obligation to publish additional information. The delivery of this prospectus shall under no circumstances imply that there has been no change in the Issuer's or the Group's affairs or that the information set forth in this prospectus is correct as of any date subsequent to the date hereof.

PRESENTATION OF DIAMOND RESERVE AND DIAMOND RESOURCE ESTIMATES

Reserves and Resources reporting – basis of preparation

The estimated Diamond Resources and Diamond Reserves for the Company's various projects have been calculated in accordance with the SAMREC Code and are based on information compiled internally within the Group. Resources are reported inclusive of Reserves.

Statements relating to Diamond Resources and Diamond Reserves are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the Diamond Resources and Diamond Reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. As a result, the Company cautions prospective investors against relying on any of these forward-looking statements.

Competent persons for the purposes of the SAMREC Code

John Kilham has confirmed that the Diamond Resources and Diamond Reserves estimates of the Group contained in this document are based on, and fairly represent, information and supporting documentation prepared or reviewed by John Kilham.

John Kilham, Pr. Sci. Nat (reg. No. 400018/07) is an independent consultant who was appointed by the Company for the purpose of independently reviewing and verifying the mineral resource and mineral reserve estimates of the Group collated under the guidance and supervision of the Company's Group Lead – Mineral Resource Management, Andrew Rogers, Pr. Sci. Nat. (reg. No. 120664). Mr Kilham's business address is Wesselton Village, Postnet Suite 204, Private Bag X2, Diamond, 8305 Kimberley, South Africa. Mr Kilham has 40 years' relevant experience in the diamond mining industry. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'competent person' for the purposes of the SAMREC Code.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Profit forecasts

No statement in this document is intended as a profit forecast or a profit estimate.

Presentation of financial information

The historical financial information presented in this document consists of the audited consolidated financial statements of the Group in respect of and for the year ended June 30, 2020 and June 30, 2019, the unaudited consolidated financial statements of the Group in respect of and for the half year ended December 31, 2020 and the audited financial statements of the Issuer in respect of and for the year ended June 30, 2020 and June 30, 2019.

The basis of preparation and significant IFRS accounting policies are explained in the notes to the consolidated financial statements which are incorporated by reference into this document, as explained in Part 12 ("*Documents Incorporated by Reference*") of this document.

The Group presents its annual accounts as of and for the year end June 30 in each financial year.

This document also includes an unaudited pro forma net assets statement of the Group, which has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Consensual Restructuring had taken place on December 31, 2020. The pro forma financial information is based on the consolidated net assets of the Group as at December 31, 2020. The pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information.

Non-IFRS measures

This Prospectus contains non-IFRS measures and ratios.

The Company uses non-IFRS financial measures, including On-Mine Cash Costs, Adjusted Mining and Processing Costs, Profit from Mining Activities, Consolidated Net Debt, Adjusted EBITDA and Adjusted EBITDA Margin, in this document. Such measures are not recognized terms under IFRS. The Company's management uses these measures to calculate operating performance and liquidity in presentations to the Company's Board of Directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of the Company's operating cash flow and liquidity. The Company presents non-IFRS measures and ratios because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures and ratios may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools. Accordingly, they should not be used as indicators of, or alternatives to, revenue, profit or other comparable IFRS metrics. The Company's presentations of On-Mine Cash Costs, Profit from Mining Activities, Consolidated Net Debt, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's results reported under IFRS.

Adjusted EBITDA represents net profit after tax, stated before depreciation, share-based expense, net finance expense (excluding net unrealized foreign exchange gains and losses), tax expense (excluding taxation credit on impairment charge), impairment charges, expected credit loss provision, net unrealized foreign exchange gains and losses and loss/profit on discontinued operations.

Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by revenue. Adjusted EBITDA should not be considered as an alternative to (a) operating cash flow or profit for the period (as determined in accordance with IFRS) as a measure of the Company's operating performance, (b) cash flow from operating, investing and financing activities as a measure of the Company's ability to meet its cash needs, or (c) any other measures of performance under generally accepted accounting principles. Adjusted EBITDA may be defined differently from the definition of "**Consolidated EBITDA**" under the Indenture governing the Notes.

Some of the limitations of Adjusted EBITDA as an analytical tool include (a) Adjusted EBITDA does not reflect the Company's cash expenditures or future requirements for capital expenditures or contractual commitments, (b) Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company's

working capital needs, (c) Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on the Company's debts, (d) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements that would be required for such replacements, and (e) some of the exceptional items that the Company eliminates in calculating Adjusted EBITDA reflect cash payments that were made, or will be made, in the future. The Company's definition of Adjusted EBITDA may differ from that used by other companies and industries and therefore its presentation of this metric may not be comparable to other similarly titled measures used by other companies.

On-Mine Cash Costs are calculated by subtracting from total mining and processing costs the following items: diamond royalties, changes in diamond inventory of finished goods and stockpiles, some centralised costs including diamond cleaning and sorting, marketing, technical and support costs, depreciation and share-based expense.

Adjusted Mining and Processing Costs consist of mining and processing costs stated before depreciation and share-based expense.

Profit from Mining Activities consists of revenue less Adjusted Mining and Processing Costs plus other direct income.

Consolidated Net Debt consists of bank loans and borrowings plus the Notes, less cash and diamond debtors.

Currency and exchange rate information

In this document, unless otherwise indicated, references to "**pounds sterling**", "**sterling**", "**pounds**", "**GBP**", "**pence**", "**p**" or "**£**" are to the lawful currency of the United Kingdom, references to "**€**", "**Euros**" or "**Euro**" are to the single currency of those relevant adopting Member State of the European Union, references to "**US dollars**", "**US$**" or "**$**" are to the lawful currency of the United States and references to "**ZAR**" or "**Rand**" are to the lawful currency of South Africa.

Rounding

Percentages and certain amounts in this document, including financial, statistical and operating information, have been rounded for ease of presentation. As a result, the figures shown as totals may not be the precise sum of the figures that precede them. In addition, certain percentages and amounts contained in this document reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages or amounts that would be derived if the relevant calculations were based upon the rounded numbers.

Market data

Unless the source is otherwise stated, the market, economic and industry data in this document constitute the Directors' estimates, using underlying data that has been sourced from independent third parties. Market data and certain industry data and forecasts included in this document have been obtained from internal company surveys, consultant surveys, market research, publicly available information, reports of government agencies and industry publications and surveys. Where information in this document has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information. Where information contained in this document has been sourced from a third party, the Issuer, Company and Guarantors confirm that such information has been accurately reproduced and, so far as the Issuer, Company and Guarantors are aware and able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company has not independently verified any of the data from third-party sources, nor ascertained the underlying economic assumptions relied upon therein and the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, which the Company believes to be reliable based on the Directors' knowledge of the industry, have not been independently verified.

Defined terms and technical terms

Certain terms used in this document, including all capitalized terms, are defined and explained in the "*Definitions*" section of this document.

Times

All times referred to in this document are, unless otherwise stated, references to time in London, United Kingdom.

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PART 1: SUMMARY

Section 1 – Introduction and warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the investor, including the information incorporated by reference. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in a Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to the those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

Name and international securities identification (ISIN) of the Notes

Petra Diamonds US$ Treasury Plc (the "**Issuer**") , Senior Secured Second Lien Notes due March 8, 2026 (the "**Notes**"), ISIN XS2289899242 in respect of the Private Placement Global Note (the "**Private Placement Global Note**") and ISIN XS2289895927 in respect of the Regulation S Global Note (the "**Regulation S Global Note**").

Identity and contact details of the Issuer, including its legal entity identifier ("LEI")

The legal and commercial name of the Issuer is Petra Diamonds US$ Treasury Plc. The Issuer's registered office is at Suite 31 Second Floor, 107 Cheapside, London, EC2V 6DN. The telephone number of the Issuer is +44 20 7494 8203. The legal entity identifier of the Issuer is 635400LZYOO6WHAO2H58.

Identity and contact details of the competent authority approving the Prospectus

This Prospectus has been approved by the CBI as competent authority under the EU Prospectus Regulation. The head office of the CBI is at New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3. The telephone number of the CBI is +353 (0)1 224 5800.

Date of approval of the Prospectus

May 7, 2021.

Section 2 – Key information on the Issuer

Who is the Issuer of the securities?

The domicile and legal form of the Issuer, the law under which the Issuer operates and its country of incorporation

The Issuer is a limited company incorporated under the laws of England and Wales with registered number 9518557. The Issuer is domiciled in the United Kingdom. The principal legislation under which the Issuer was incorporated is the Companies Act 2006 of England and Wales.

The Issuer's principal activities

The Issuer was incorporated for the purpose of raising capital to provide funding for capital expenditure within the Company and its consolidated subsidiaries (the "**Group**").

The Issuer's major shareholders, including whether it is directly or indirectly owned or controlled and by whom

The Issuer is a direct and wholly owned subsidiary of Petra Diamonds Limited, an exempted company limited by shares and incorporated in Bermuda (the **"Company")**. Save as set out below, as at the date of

this Prospectus, the Issuer is not aware of any person who, directly or indirectly, is interested in five per cent or more of the Issuer's capital or voting rights. The shareholders set out below are shareholders of the Company and are indirect owners of the Issuer:

	Voting rights as at the date of this Prospectus of the Company:	
	Number of voting rights	**% of voting rights**
Vontobel Holding AG	1,730,825,578	17.83
Monarch Master Funding 2 (Luxembourg) S.a.r.l.	1,166,379,638	12.00
Invesco Ltd.	818,966,755	8.43
Bank of America Corporation	738,907,220	7.61
Franklin Templeton Investment Management Limited	619,360,650	6.37

The identity of the Issuer's key managing directors

The directors of the Issuer are Jacques Breytenbach, Richard Duffy and Matt Glowasky.

The identity of the Issuer's statutory auditors

BDO LLP, 55 Baker Street, London W1U 7EU, United Kingdom

What is the key financial information regarding the Issuer?

Key financial information of the Issuer

	As at June 30	
	2019 (US$m)	**2020 (US$m)**
Profit/(loss) for the period	(26.2)	(287.9)
	2019 (US$m)	**2020 (US$m)**
Total assets	592.1	325.2
Total liabilities	689.8	710.9
Total equity	(97.7)	(385.7)
Total equity and liabilities	(592.1)	325.2

Brief description of any qualifications in the audit report relating to the historical financial information

Not applicable. The audit report on the financial information for FY 2020, incorporated by reference into this document, is unqualified. However, the financial statements for June 30, 2020 includes an emphasis of matter paragraph noting material uncertainties in relation to (i) the outcome of the Consensual Restructuring; and (ii) trading conditions and the impact of the COVID-19 pandemic, either of which may cast significant doubt about the Issuer's ability to continue as a going concern.

What are the key risks that are specific to the Issuer and the Group?

In purchasing the Notes, investors assume the risk that the Issuer and/or the Guarantors may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer and/or the Guarantors becoming unable to make all the payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur as the Issuer and/or the Guarantors, as the case may be, may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside of the Issuer and/or any of the Guarantor's control. The Issuer and the Guarantors have identified a number of key risks specific to the Issuer and the Group:

- The Group does not have sufficient working capital for its present requirements.
- The Group remains indebted after the Consensual Restructuring and its leverage and debt service obligations, its credit standing as well as general market conditions could adversely affect its

business, financial condition, results of operations and its ability to procure additional financing or satisfy its debt obligations.

- COVID-19 response measures are likely to have a continued impact on production, the ability to make sales, demand for the Company's products and on the health and wellbeing of the Company's workforce.
- The volatility of diamond prices is significant and unpredictable and therefore price forecasting can be difficult and imprecise.
- The Group is subject to currency risk.
- At the Williamson mine in Tanzania, a parcel of diamonds has been blocked from export, the Group holds VAT receivables that remain due and outstanding by the tax authorities in Tanzania and there have been protective claim forms issued in the English High Court relating to allegations of human rights violations.
- Resource nationalism could affect the Group's operations.
- The Group's operations may be adversely affected by interruptions in its electricity or water supply and by increases in overall energy or water costs.

The business of the mining and production of diamonds from diamond deposits involves a number of risks and hazards, many of which are outside of the Group's control, not all of which are fully covered by insurance.

Section 3 - Key information on the Notes

What are the main features of the Notes?

The Notes are due March 8, 2026, with the ISIN XS2289899242 in respect of the Private Placement Global Note and ISIN XS2289895927 in respect of the Regulation S Global Note. The currency of the Notes is U.S. Dollars ("**$**").The nominal amount of each Note (being the amount which is used to calculate payments on each Note) is $1,000.

Whilst the Notes may only be traded in denominations of $1,000 and in integral multiples of $1.00 in excess thereof for the purpose of the international central securities depositories (the "**ICSDs**") the denominations are considered as 1. For the avoidance of doubt the ICSDs are not required to monitor or enforce the minimum amount.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor. For these purposes, a retail investor means a person who is not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended) and as defined in point (11) of Article 4(1) of Directive 2014/65/EU on markets in financial instruments (as amended). The estimated net amount of proceeds is $336,656,000 million.

Notes sold within the United States to Institutional Accredited Investors in reliance on one or more exemptions from registration under the U.S. Securities Act, including Section 4(a)(2) thereunder, will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Private Placement Global Note**"). Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Note**" and, together with the Private Placement Global Note, the "Global Notes").

Ranking and relative seniority of the Notes will:

- be senior obligations of the Issuer and be guaranteed by the Guarantors;

- be indirectly secured on a second-priority basis through a limited recourse second-priority Security SPV Guarantee supported by a counter-indemnity and security interests in the Collateral (which Collateral also secures on an indirect first-priority basis, through a first-priority Security SPV Guarantee, the lenders under the Senior Facilities, the BEE Lenders (as defined in this Prospectus), creditors under certain hedging obligations);

- be effectively subordinated to any existing and future indebtedness of the Issuer that (i) is secured by a Lien on the Collateral that ranks senior or prior to the Lien indirectly securing the Notes, (ii) benefits from a guarantee granted by the Security SPV supported by a Lien on the Collateral, which guarantee ranks senior or prior to the Security SPV Guarantee granted in favor of the Notes and the Guarantees, including the first-priority liens in the form of the First Ranking Security SPV Guarantee securing the Senior Facilities or (iii) is secured (directly or in the form of a guarantee granted by the Security SPV or any similar vehicle) by property or assets that do not secure the Notes, in each case to the extent of the value of the property and assets securing such Indebtedness;

- rank pari passu in right of payment with all existing and future Indebtedness of the Issuer that is not expressly contractually subordinated in right of payment to the Notes, including obligations under the Senior Facilities;

- be senior in right of payment to any future Indebtedness of the Issuer that is expressly contractually subordinated in right of payment to the Notes; and

- be structurally subordinated to all existing and future indebtedness and preferred stock of the Company's Subsidiaries (other than the Issuer) that are not Guarantors.

Transfer and exchange: Subject to certain restrictions, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of $1,000 and integral multiples of $1.00 in excess thereof, to Persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder of the Notes, other than any Taxes payable in connection with such transfer or exchange.

Redemption: If the Company undergoes a Change of Control, the Issuer may be required to make an offer to purchase the Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. In the event of certain developments affecting taxation, the Issuer may redeem all, but not some only, of the Notes. Subject to any purchase and cancelation or early redemption, the Notes are scheduled to be redeemed at 100 per cent of their nominal amount on March 8, 2026.

Taxation: All payments in respect of the Notes by the Issuer or any of the Guarantors under the Guarantee will be made without withholding or deduction for or on account of taxes unless such withholding or deduction is required by applicable law in the jurisdiction of the Issuer the relevant Guarantor or any other jurisdiction through which payment is made by or on behalf of the Issuer or any Guarantor. In the event that any such deduction is made, the Issuer or the relevant Guarantor shall pay additional amounts to cover the amounts so deducted or withheld, subject to customary exemptions.

Events of default: An event of default is a breach by the Issuer or a Guarantor of certain provisions in the terms and conditions of the Notes or the occurrence of other specified events. Events of default under the Notes include (amongst others) non-payment of interest or additional amounts for 30 days, non-payment of principal; breach of certain covenants for 15 days after written notice has been given to the Issuer; breach of other obligations under the Indenture for 60 days after written notice has been given to the Issuer; cross default in respect of payment; or acceleration relating to indebtedness of the Company or certain of its subsidiaries; the security interests created by the Security Documents cease to be in full force and effect

other than as permitted; and certain events relating to the enforcement, insolvency or winding-up of the Company, the Issuer and certain subsidiaries of the Company.

Governing law : The Indenture provides that it, the Notes and the Guarantees are governed by, and shall be construed in accordance with, the laws of the State of New York. The Intercreditor Agreement is governed by the laws of England and Wales. The Notes SPV Guarantee, the Accounts Agreement and the Counter-Indemnity Agreement are governed by, and shall be construed in accordance with, the laws of South Africa.

Interest: The Notes bear interest (i) from the Issue Date to but excluding June 30, 2023 at the rate of 10.5% per annum and paid by increasing the principal amount of the outstanding Notes or by issuing Additional Notes having the same terms and conditions as this Note in a principal amount equal to such interest ("**PIK Interest**") and (ii) from and including June 30, 2023 to but excluding March 8, 2026, at the rate of 9.75% in cash only. Interest shall be payable semi-annually on each Interest Payment Date.

Representative of the Noteholders: Deutsche Bank Trust Company Americas (the "**Trustee**") acts as trustee for the Noteholders.

Where will the securities be traded?

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin, for the Notes to be admitted to the Official List and trading on the Regulated Market of Euronext Dublin.

Is there a guarantee attached to the securities?

Brief description of the nature and scope of the guarantee

The Notes are guaranteed jointly and severally by the Guarantors. The Guarantees will rank equally in right of payment to all existing and future senior debt of the Guarantors. As at December 31, 2020, as adjusted for the Consensual Restructuring and the application of proceeds therefrom, the Company's non-Guarantor subsidiaries would have had no third-party financial indebtedness. Any of the debt that the Company's non-Guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the Guarantees.

Each Guarantee will be the general obligation of such Guarantor and will:

- be a senior obligation of the relevant Guarantor;
- rank pari passu in right of payment with all existing and future senior Indebtedness of such Guarantor that is not expressly contractually subordinated in right of payment to the Guarantee, including obligations under the New Bank Facilities;
- rank pari passu with the guarantee provided by the Company to guarantee debt and future accrued interest owed by the Company’s B-BBEE Partner;
- be senior in right of payment to any existing and future Indebtedness of the relevant Guarantor that is subordinated in right of payment to the Guarantee of such Guarantor;
- be structurally subordinated to all existing and future obligations and preferred stock of each subsidiary of such Guarantor that does not guarantee the Notes;
- be effectively subordinated to any existing and future Indebtedness of such Guarantor that (i) is secured by a Lien on the Collateral that ranks senior or prior to the Lien indirectly securing such Guarantee, (ii) benefits from a guarantee granted by the Security SPV supported by a Lien on the Collateral, which guarantee ranks senior or prior to the Security SPV guarantee granted in favor of the Guarantee, including the first-priority liens in the form of the First Ranking Security SPV Guarantee securing the New Bank Facilities or (iii) is secured (directly or in the form of a guarantee granted by the Security SPV or any similar vehicle) by property or assets that do not secure the

Guarantee, in each case to the extent of the value of the property and assets securing such Indebtedness; and

- be indirectly secured on a second-priority basis through a limited recourse second-priority Security SPV guarantee supported by a counter-indemnity and security interests in the Collateral (which Collateral also secures on an indirect first-priority basis, through a first-priority Security SPV guarantee, the lenders under the New Bank Facilities, the BEE Lenders (as defined in this Prospectus) and creditors under certain hedging obligations).

Brief description of the Guarantors, including their LEIs

Guarantor	**Country of incorporation**	**Domicile**	**Registered number**	**Legal form**	**Law under which the Guarantor operates**	**LEI**
The Company	Bermuda	United Kingdom	23123	Exempted company	Laws of Bermuda	213800X4QZIAVSA12860
Petra Diamonds UK Treasury Ltd	United Kingdom	United Kingdom	09519270	Private limited company	Laws of England and Wales	213800C1G5THEDO29Z25
Petra Diamonds Southern Africa (Pty) Ltd	South Africa	South Africa	1997/007770/07	Private limited company	Laws of the Republic of South Africa	213800Q4393CQFZXTZ71
Willcroft Company Ltd	Bermuda	Bermuda	718	Private limited company	Laws of Bermuda	2138006EXS38G6KY3929
Blue Diamond Mines (Pty) Ltd	South Africa	South Africa	1993/006492/07	Private limited company	Laws of the Republic of South Africa	213800RBTFB5HBJY9M81
Petra Diamonds Holdings SA (Pty) Ltd	South Africa	South Africa	2015/023844/07	Private limited company	Laws of the Republic of South Africa	213800RP5F2EQXTCBK98
Premier (Transvaal) Diamond Mining Company (Pty) Ltd	South Africa	South Africa	1902/001807/07	Private limited company	Laws of the Republic of South Africa	213800Y2KA7KDJIG1Y19
Finsch Diamond Mine (Pty) Ltd	South Africa	South Africa	2001/025614/07	Private limited company	Laws of the Republic of South Africa	2138007O6RX9NWRIVF43
Ealing Management Services (Pty) Ltd	South Africa	South Africa	2010/023773/07	Private limited company	Laws of the Republic of South Africa	213800DD62BKJOJEH675
Tarorite (Pty) Ltd	South Africa	South Africa	2012/023733/07	Private limited company	Laws of the Republic of South Africa	213800IXFBGZ1Q2JEJ65
Cullinan Diamond Mine (Pty) Ltd	South Africa	South Africa	2007/021069/07	Private limited company	Laws of the Republic of South Africa	213800TLVYLMM7YGL768
Petra Diamonds Belgium BV	Belgium	Belgium	0810.466.672	*Besloten Vennootschap*	Laws of Belgium	213800J4AQNP4GOY1152
Petra Diamonds Jersey Treasury Ltd	Jersey	Jersey	111991	Private limited company	Laws of Jersey	213800YOMK1CS3IDLF58
Petra Diamonds Netherlands Treasury BV	Netherlands	Netherlands	56626460	*Besloten Vennootschap*	Laws of the Netherlands	213800NQ8J46VQOXSG37

Petra Diamonds UK Services Ltd	United Kingdom	United Kingdom	08139825	Private limited company	Laws of England and Wales	213800ECHB6Y8DQ4VY65

Relevant key financial information for the purpose of assessing the Guarantors' ability to fulfil their commitments under the Guarantee

Key Financial Information of the Group:

	For the six months ended December 31	
	2019 (US$m)	**2020 (US$m)**
Profit/(loss) for the period	(10.0)	67.6
	As at December 31	
	2019 (US$m)	**2020 (US$m)**
Total assets	1,291.7	1,237.6
Total liabilities	98.1	859.2
Total equity	315.6	121.0
Total equity and liabilities	1,291.7	1,237.6

	For the year ended June 30	
	2019 (US$m)	**2020 (US$m)**
Profit/(loss) for the period	(208.2)	(223.0)
	As at June 30	
	2019 (US$m)	**2020 (US$m)**
Total assets	1,294.8	1,042.7
Total liabilities	968.7	1,031.0
Total equity	326.1	11.7
Total equity and liabilities	1,294.8	1,042.7

The following information is selected unaudited pro forma financial information which illustrates the effect on the consolidated net assets of the Group as if the Consensual Restructuring had taken place on December 31, 2020. The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position.

	The Group as at December 31, 2020	**Consensual Restructuring – Notes and First Lien Facilities adjustments**	**Pro forma net assets of the Group as at December 31, 2020**
	US$m	**US$m**	**US$m**
ASSETS			
Non-current assets			
Property, plant and equipment	773.3	-	773.3
Right-of-use asset	3.0	-	3.0
BEE loans receivable	175.1	-	175.1
Other receivables	10.6	-	10.6
Deferred tax assets	0.1	-	0.1
Total non-current assets	**962.1**	-	**962.1**
Current assets			
Trade and other receivables	42.8	(19.4)	23.4
Inventories	126.4	-	126.4
Cash and cash equivalents (including restricted amounts)	106.3	12.8	119.1
Total current assets	**275.5**	**(6.6)**	**268.9**
Total assets	**1,237.6**	**(6.6)**	**1,231.0**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	-	400.4	400.4
BEE loans payable	133.4	-	133.4
Provisions	73.7	-	73.7
Lease liability	1.0	-	1.0
Deferred tax liabilities	49.3	-	49.3
Total non-current liabilities	**257.4**	**400.4**	**657.8**
Current liabilities			
Loans and borrowings	810.4	(790.5)	19.9
Lease liability	1.3	-	1.3
Trade and other payables	47.5	-	47.5

Total current liabilities	**859.2**	**(790.5)**	**68.7**
Total liabilities	**1,116.6**	**(390.1)**	**726.5**
Net assets	**121.0**	**383.5**	**504.5**

Brief description of any qualifications in the audit report relating to the historical financial information

Not applicable. The audit report on the financial information for FY 2020, incorporated by reference into this document, is unqualified. However, the annual report for FY 2020 includes an emphasis of matter paragraph noting material uncertainties in relation to (i) the outcome of the Consensual Restructuring; and (ii) trading conditions and the impact of the COVID-19 pandemic, either of which may cast significant doubt about the Company's ability to continue as a going concern.

Brief description of the most material risk factors pertaining to the Guarantors

Please see section entitled *"What are the key risks that are specific to the Issuer and the Group?"*

What are the key risks that are specific to the Notes?

- The Company's leverage and debt service obligations could adversely affect the Company's business, financial condition, results of operations and the Company's and its subsidiaries' ability to satisfy their debt obligations, including the Notes and the Guarantees.
- Claims of the Company's first-priority senior secured creditors will have priority with respect to their security over the claims of the holders of the Notes, and the claims of holders of the Notes will be effectively subordinated to the rights of the Company's existing and future secured creditors to the extent of the value of the assets securing such creditors which do not also secure the Notes.
- The Issuer is a finance company with no independent operations and will depend on payments from the Company's subsidiaries to provide it with funds to meet its obligations under the Notes.
- The Group may be required to repay or refinance the Senior Facilities prior to the maturity of the Notes.
- Restrictive covenants in the Indenture and the Senior Facilities may restrict the Group's ability to operate its business. The failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect the Group's business, results of operations and financial condition.

Section 4—Key information on the admission to trading on a regulated market

Are the Notes being offered to the public as part of a public offer?

As at the date of this Prospectus, the Notes have already been issued and are not being offered in a public offer in the Republic of Ireland.

Why is this Prospectus being produced?

The Prospectus is being produced in order to fulfil a condition under the Scheme of Arrangement which was sanctioned by the English High Court of Justice on January 12, 2021. The Notes have been issued pursuant to the Consensual Restructuring, through which a certain portion of each Noteholder's Existing High Yield Notes Debt are restated as Notes, with the remainder of the Existing High Yield Notes Debt being equitized for the issue of New Ordinary Shares in the Company. This Prospectus is being prepared to allow the Existing High Yield Noteholders to sell their Notes in the secondary market, subject to the conditions set out in this Prospectus. The Notes constitute transferable securities.

There are no material conflicts of interest pertaining to the offer or the admission to trading.

PART 2: RISK FACTORS

An investment in the Notes involves risks. Before investing in the Notes, consider carefully the following risk factors and all information contained in this Prospectus. Additional risks and uncertainties of which the Issuer is not aware or that it believes are immaterial or unlikely may also adversely affect its business, financial condition, liquidity, results of operations or prospects. If any of these events occurs, its business, financial condition, liquidity, results of operations or prospects could be materially and adversely affected, the Issuer may not be able to pay interest or principal on the Notes when due and all or part of any investment may be lost.

This Prospectus contains forward-looking statements that involve risks and uncertainties. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Prospectus.

Risks relating to the Group's financing arrangements

1. **The Group may not have sufficient working capital for its requirements.**

The Group's forecasts remain sensitive to trading conditions and the ongoing COVID-19 pandemic may have a material impact on the Group's ability to operate within its covenants such that continued First Lien Lender support may be required and, if unavailable, additional funding may be required.

Under the Company's base case, the forecasts indicate that the Company will be able to maintain sufficient liquidity and operate within covenants set out in the New Bank Facilities.

The Group closely monitors and manages its liquidity risk, and cash forecasts are regularly produced and run for different scenarios. The Group also considered risks associated with COVID-19, which were considered to focus primarily on the potential for further production disruption, deferral of tenders due to travel restrictions and adverse impacts on diamond pricing, which have been used to generate a reasonable worst case scenario, which is the scenario upon which this working capital statement is based.

Under the reasonable worst case scenario, immediately following the Working Capital Period, the Group's debt service cover ratio under the New Bank Facilities (the "**Senior DSCR**") is forecast to be below the required minimum ratio of 1.3x on the six-monthly assessment point at December 31, 2021 and June 2022 (the "**DSCR Breach**").

Under the reasonable worst case scenario, the Group's Senior DSCR could first fall below 1.3x in August 2021. However, the DSCR Breach would only occur if the Senior DSCR is below 1.3x on December 31, 2021.

Whilst there may be some reasonably available mitigating actions to help reduce expenditure and alleviate some cash flow and liquidity pressures, including:

- the deferral of some capital expenditure starting between April 2021 and September 2022, with the deferred amount being caught up over the following 24 month period; and
- operating expenditure savings of five per cent. starting in the financial year ended June 30, 2023; and
- ceasing to provide additional funding to the Williamson diamond mine.

the delivery and effects of such mitigating actions remains uncertain and, in relation to the potential operating expenditure saving, would materialise beyond the Working Capital Period. In the reasonable worst case scenario, the Group would not be able to fully mitigate the DSCR Breach even if such mitigating actions were available. In addition to the above, under this scenario in which external funding is not available for Williamson and the parcel of diamonds from the mine remains blocked, the Group may need to place the Williamson mine into administration during the Working Capital Period. The Company is not in a position to provide any financial assistance to the Williamson mine to address its liquidity shortfall unless Board and lender support is obtained.

If a DSCR Breach were to occur, the New Bank Facilities may be accelerated and/or put formally due on demand. In the event of a DSCR Breach, the Company would be dependent on the First Lien Lenders granting a waiver of the DSCR Breach and continuing to make the facilities available, as there would be insufficient liquidity to settle the outstanding New Bank Facilities if required. Whilst the First Lien Lenders have indicated their support in recent discussions and ongoing dialogue with the First Lien Lenders will be important during this period, there can be no guarantee that a covenant waiver would be granted and that the New Bank Facilities would continue to remain available in the event of a DSCR Breach.

In the event that the Company breaches its covenants and the New Bank Facilities are withdrawn or repayment is demanded, it is unlikely that a restructuring plan that is capable of implementation could be agreed between all stakeholders. In such circumstances, the ability of the Group to continue trading would depend upon the Group being able to negotiate a refinancing proposal with its creditors and, if necessary, that proposal being approved by Shareholders. Whilst the Board would seek to negotiate such a refinancing proposal with its creditors, there is no certainty that the creditors would engage with the Board in those circumstances or how long such a negotiation may take. There would therefore be a significant risk that the Company, or one or more of the Group members, may enter into freefall insolvency proceedings in the relevant jurisdiction(s).

2. **The Group is highly indebted and its leverage and debt service obligations, its credit standing as well as general market conditions could adversely affect its business, financial condition, results of operations and its ability to procure additional financing or satisfy its debt obligations.**

The Group is highly leveraged. As at December 31, 2020, the Group's total debt was approximately US$810.4 million (US dollar equivalent), including:

- approximately US$702.0 million under the Notes (including US$52.0 million accrued interest);
- approximately US$61.2 million under the First Lien Facilities (including unpaid interest); and
- approximately US$47.2 million under the BEE partner bank facilities.

plus approximately ZAR1,077.0 million by way of ancillary guarantees and soft lines and mark to market exposure of approximately US$0.9 million under the Hedging Liabilities. As at December 31, 2020, the Group had open hedges amounting to approximately US$45.8 million. Consolidated net debt at December 31, 2020 was US$700.4 million.

The Consensual Restructuring provides additional liquidity, while reducing the overall principal amount of debt and cash-pay interest obligations of the Group. The total amount of debt outstanding is US$445.6 million (US dollar equivalent), including:

- approximately US$336.7 million under the Notes;
- approximately ZAR1,200.5 million under the New Term Loan (comprising ZAR1,183.0 million and ZAR17.5 million in capitalized upfront fees on the New Term Loan and New RCF); and
- approximately ZAR400 million under the New RCF (with a further ZAR160 million also available),

plus approximately ZAR1,077.0 million by way of ancillary guarantees and soft lines and mark to market exposure of approximately US$0.9 million under the existing Hedging Liabilities, until the existing Hedging Liabilities are settled in full.

Further, the Group is permitted to incur a mark to market exposure up to a maximum of ZAR150.0 million in hedging lines meaning that the Group's total debt capacity will be US$476.9 million (US dollar equivalent).

The degree to which the Group is leveraged and is required to pay interest under the new financing arrangements, its credit standing as well as market conditions and confidence in the industry in which the Group operates, could have important consequences for its business, including:

- increasing the Group's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions (including changes in the rough diamond price globally);
- requiring the dedication of a substantial portion of the Group's cash flow from operations to make interest and principal payments on its debt, thereby reducing the availability of such cash flow for other purposes;
- limiting the Group's ability to obtain additional financing to fund working capital, expansionary capital, expansion and exploration opportunities, debt service requirements, business ventures, or other general corporate purposes; and
- limiting the Group's flexibility in planning for, or reacting to, changes in its business, the competitive environment and the industry in which it does business.

The Group's previous high level of indebtedness has had a significant negative impact on its liquidity and cash flow position in recent financial years, particularly in the low rough diamond price environment and in light of the impact of the COVID-19 pandemic on the Group. The Consensual Restructuring has reduced the financial burden on the business, put the Group in a stronger position to continue operations to realize and optimize the value of its mining assets, and deliver growth for stakeholders. The Consensual Restructuring has (among other things): (i) amended the First Lien Facilities such that the maturity dates of the New Term Loan, New RCF and the ancillary facilities would be extended to three years from the Restructuring Effective Date; (ii) implemented a maturity date of five years from the Restructuring Effective Date in respect of the Notes (thereby reflecting an extension on the existing maturity date of May 1, 2022 under the Existing High Yield Notes); and (iii) provided additional liquidity through the injection of the New Money to the Group.

However the Consensual Restructuring has only reduced the overall amount or level of the Group's indebtedness to US$448.0 million (US dollar equivalent) and the Group remains highly leveraged. Under the terms of the Notes, it is anticipated that payment of interest under the Notes will be made by way of PIK interest for at least the first 24 months of the term of the Notes, the Group's indebtedness will increase. In addition, under the New Bank Facilities, (i) as the New Term Loan amortizes in quarterly instalments, and the commitments under the New RCF will reduce on a quarterly basis, over the life of the facilities, such payments and reductions will reduce the Group's liquidity and access to the New RCF over time, and (ii) as the proceeds of the New Term Loan will be used to settle the debt under the Existing WCF, this effectively reduces the overall working capital lines available to the Group.

Due in part to the Group's leveraged position, in the event that the Directors sought to refinance its significant indebtedness, there can be no assurance that the Group would be able to do so on favorable terms or at all. In addition, if the Group's credit standing were to deteriorate, it would be more difficult for the Group to obtain adequate refinancing and/or such refinancing might be more costly than the Group's existing financing.

As the Group will remain highly leveraged following the implementation of the Consensual Restructuring, if the price of rough diamonds remains at current depressed levels, the Group may not, in the longer term, generate sufficient cash flow to satisfy payment of principal on the Notes and/or the New Bank Facilities when ultimately due (with the maturity dates being (i) five years from the Restructuring Effective Date for the Notes, (ii) three years from the Restructuring Effective Date for the New Term Loan, New RCF and ancillary facilities, and (iii) staggered throughout the year following the Restructuring Effective Date for the hedging lines).

Any one, or a combination, of the foregoing events and factors could have a material adverse effect on the Group's business, prospects, financial condition and results of operations and the Group's ability to satisfy its debt obligations.

Risks relating to the Group's business

3. **COVID-19 response measures are likely to have a continued impact on the ability to make sales, production, demand for the Company's products and the health and wellbeing of the Company's workforce.**

On March 11, 2020, the World Health Organization officially designated the outbreak of a new strain of coronavirus, known as COVID-19, to be a global pandemic, which continues to spread on a worldwide scale. The diamond market has been severely impacted by the COVID-19 outbreak, which has significantly reduced activity throughout the pipeline, from production, rough sales, trading, cutting and polishing through to consumer sales. How quickly the market can recover will depend upon the success with which the pandemic can be arrested, thereby limiting the length and severity of the economic downturn, as well as the lifting of restrictions on the movement of people and products, in order for activities across the pipeline to be resumed safely.

Impact on ability to make sales

The Company normally makes its diamond sales via open tenders in both Johannesburg and Antwerp and the ability to hold such tenders has been impacted by global restrictions on the movement of people and goods due to the COVID-19 pandemic significantly impacting the number of clients available to view the goods on offer. Sentiment and activity across the diamond pipeline initially significantly weakened due to the outbreak of the COVID-19 pandemic, with many cutting and polishing factories closed or operating at much reduced capacity and retail stores across the world experiencing extended shutdowns.

Due to significantly reduced demand from the midstream during this period, the Company brought forward the closure of its fifth diamond sale of FY 2020 in South Africa and Antwerp and cancelled its sixth and seventh diamond sales of FY 2020 usually held during May and June respectively. During these constrained sales periods, the Company experienced severely depressed and opportunistic bidding for its goods, particularly in the larger size and higher quality, greater value categories, and the Company therefore chose to withhold some of the higher value goods for sale at its March tender cycle, all of which were subsequently sold in June or early July. Such sales took place through agreements with some of the Company's long-standing customers and the Company has focused sales efforts in Antwerp in the short-term while business travel to South Africa remains challenging. The Company anticipates that it will continue to use a flexible sales approach whilst market conditions continue to be significantly affected by the COVID-19 pandemic, however there can be no guarantee that Antwerp or any alternative sale markets will remain available if COVID-19 restrictions continue or that further private sales with long-standing customers will be possible if there is a continued impact on the access to open tenders in target markets.

The COVID-19 pandemic took hold in early CY 2020 and caused major disruption to all aspects of the diamond pipeline. Certain Government-imposed restrictions, including varying levels of lockdown, impacted the mining operations and Petra’s ability to conduct tenders in South Africa and Belgium. Petra has put in place stringent procedures in order to prevent or mitigate the spread of the virus at our operations, some of which resulted in lost production time; the Group introduced revised shift configurations, with the support from organised labour, to offset this. Petra’s suppliers to its mines, although also impacted by the COVID-19 restrictions, continued to deliver as required and no major supply chain disruption was experienced. The Company is maintaining a flexible sales approach in order to bring goods to market at the optimal time and location based on prevailing market conditions.

The Group's tender sale in September 2020 saw pricing on a like-for-like basis strengthen by approximately 21 per cent. in comparison to prices achieved in the March and June sales cycles and the tender sale in October 2020 saw a further approximate two per cent like-for-like price increase. However, prices were still around 10 per cent below pre-COVID 19 levels. The Company held a special tender for the Letlapa Tala Collection of five blue diamonds which closed on November 24, 2020. The Company took all the steps necessary to ensure maximum exposure to potential buyers of these stones considering COVID 19 related restrictions, including arranging for the diamonds to tour the key diamond centres of Antwerp, Hong Kong and New York so that as many clients as possible could see the diamonds in person. On November 25, 2020, the Company announced that the Letlapa Tala Collection had been sold as a suite of stones to a partnership between De Beers and Diacore for a total price of US$40.36 million, payable in cash prior to delivery of the stones. The Company has conducted limited private sales in December 2020 to meet its obligation towards holders of South African Diamonds Beneficiation licenses and held a general sales tender in January and March 2021 in Antwerp. During Q3 FY 2021 pricing on a like-for-like basis returned to pre-COVID-19 levels, increasing approximately 12% from the tender prices we achieved during H1 FY 2021. The Company continues to closely monitor the impact of COVID-19 on its clients’ ability to attend tenders and will continue its flexible approach in planning its upcoming sales events.

The decrease in global demand for rough diamonds has had, and will continue to have, a material adverse effect on the final sale price of goods and the ability of the Group to successfully conclude sales. Overall rough diamond prices realized by the Group were down 18 per cent in FY 2020 as compared to FY 2019. This, alongside reduced sales volumes, has impacted revenue of the Group with revenue for H1 2021 down 8 per cent. to US$178.1 million as compared to H1 2020 revenue of US$193.9 million. The revenue for H1 2021 included the US$40.4 million proceeds from the Letlapa Tala Collection of blue diamonds, sold in November 2020. The 299ct Type IIa diamond from the Cullinan mine, recovered during January 2021 was sold in March for US$12.2m. Pricing achieved in H1 was impacted by the carry-over of certain, mostly lower-value parcels from FY 2020, which were subsequently sold during July 2020. The realised prices reflect the weaker market conditions offset by the sale of the Letlapa Tala Collection during the period, positively impacting Cullinan's unit price, while Koffiefontein's price also benefited from a higher proportion of coarse material (larger diamonds) in the product mix. Despite the Williamson mine being on care and maintenance, it was possible to include ca. 30,000 carats for sale in Q1 due to these diamonds being held in inventory at June 30, 2020.

Sale prices and revenue impacts are likely to continue until there is an increase in demand for, and the price of, rough diamonds in the Group's key diamond buying centres such as India, Israel, China and the United States. Failure to make successful tenders and increase revenue would have a material adverse effect on the Group's business, prospects, results of operations, financial condition and the Group's ability to satisfy its debt obligations. See also paragraph 2 of this Part 2 ("*Risk Factors*").

Impact on production

On March 23, 2020, a directive was issued by the South African Government requiring a 21 day national lockdown, effective midnight March 26, 2020 to midnight April 16, 2020, in order to contain the spread of COVID-19 in the country (the **"Lockdown Directive"**). The Lockdown Directive required all non-essential businesses and activities to be suspended and people to remain at home.

After the Lockdown Directive came into effect, the Company's South African mining operations were reduced to approximately one third of normal operating levels. From around April 24, 2020 to June 1, 2020, the South African mines were operating at staffing levels of no more than 50 per cent., in accordance with the Department of Minerals and Energy (**"DMRE"**) guidelines. From June 1, 2020, South Africa moved to lockdown level 3 restrictions, allowing for a further easing of restrictions and the return to work for all employees; however additional COVID-19 health and safety-led procedures required to contain the spread of the virus have significantly reduced available working hours and required revised shift configurations to be implemented. The scaled-down mining operations have caused a negative impact on production with production down for FY 2020 by seven per cent. to 3.59 Mcts from 3.87 Mcts in FY 2019. The Group therefore took the decision, following extensive consultation and planning in cooperation with the relevant organized labor and employee stakeholders, to move to 'continuous operations' at the Finsch mine and a similar 'continuous operations' configuration at the Cullinan mine in July 2020 in order to maximize the number of shifts available. These 'continuous operations' arrangements involve Finsch and Cullinan operating a seven day working week (as opposed to a five day working week which was in place prior to the COVID-19 outbreak), which allows for production levels to be optimized during the COVID-19 pandemic. During August 2020, the Company successfully completed the move to 'continuous operations', however during September and October 2020, production at the Finsch mine was impacted by the arrangements to maintain 'continuous operations' coming to an end. In October 2020, an agreement was reached with organized labor to reinstate 'continuous operations' for the remaining period of the financial year to June 30, 2021. The ability to maintain 'continuous operations' could be impacted by rising numbers in COVID-19 infections and another 'wave' of the COVID-19 pandemic, which could result in the need to quarantine healthy employees and which could see South Africa revert to stricter lockdown measures. Furthermore, the continued acceptance of organized labor to the revised shift configurations is key to the success of the 'continuous operations'. Failure to successfully maintain 'continuous operations' and achieve production of the South African mining operations at pre-COVID-19 production levels could impact the quantum and quality of goods available for sale by the Company which could have a material adverse effect on the Group's business, financial condition and results of operations and impact the Group's ability to satisfy its debt obligations. See also paragraph 2 of this Part 2 ("*Risk Factors*").

In light of the unprecedented depressed market environment, Williamson Diamonds Limited declared force majeure at the Williamson mine in Tanzania and placed the operation on care and maintenance from April 8, 2020, with only essential services being carried out in order to protect the mine's assets and resources. Williamson Diamonds Limited is continually reviewing this situation and will look to commence production again as soon as market conditions support it. Whilst the Williamson mine is on care and maintenance, the Group reported reduced production of 1.7 million tonnes in H1 FY 2021. On an ongoing basis, the continued effect of the Williamson mine remaining on care and maintenance is that the Group is experiencing reduced production of approximately 32,000 carats per month (based on budgeted production for FY 2021) and the cost of care and maintenance is estimated at approximately US$850,000 per month.

Williamson's liquidity position is reliant on its ability to generate cash through operations (which is not possible during care and maintenance); and/or its ability to reach agreement with the Government of Tanzania allowing it to sell the blocked diamond parcel and around potential recoupment of VAT receivables; and/or its ability to procure funding via borrowings from local financial institutions. If Williamson is unable to secure additional funding it is likely to face a liquidity shortfall. Under the terms of the in-principle agreements with the South African Lender Group any additional funding by the Company would require their approval and if not provided may result in Williamson's insolvent liquidation.

Due to the impact of COVID-19 and the closure of the Argyle mine in Australia in 2020 (which accounted for ca. 13 Mcts in 2019), rough diamond production is expected to have contracted significantly in 2020 and may continue to decline, which would have a material adverse effect on the Group's business, prospects, results of operations, financial condition and the Group's ability to satisfy its debt obligations.

Impact on workforce

The COVID-19 pandemic poses a significant risk to the health and safety of the Group's workforce. Whilst the majority of those who contract the virus may be asymptomatic or may only experience mild symptoms, a number of people (especially those with comorbidities) may become seriously ill or even succumb to the virus. Whilst Petra has implemented systems and strategies aiming to prevent and/or contain the spread of the virus at its operations, the widespread prevalence and highly infectious nature of the virus has meant that 340 employees to date have been confirmed COVID-19 positive at the South African operations as at 16 April 2021, and of these 332 have fully recovered. Although the majority of those affected are only experiencing mild symptoms, the Company has tragically lost six colleagues as a result of COVID-19. The impact on the Group's workforce caused by the COVID-19 pandemic could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

4. **The volatility of diamond prices is significant and unpredictable and therefore price forecasting can be difficult and imprecise.**

The Group's revenues are derived primarily from the mining and sale of rough diamonds and, as a result, its financial results are highly dependent on the marketability and price of diamonds. Rough diamonds are globally traded and prices are based on the clarity, color and size of the individual diamonds sold, as well as general trends in the market supply and demand for diamonds. Furthermore, diamond prices have fluctuated and could be affected by numerous factors over which the Group does not have any control, including but not limited to the factors set out in paragraph 3 of this Part 2 ("*Risk Factors*") and:

- international or regional political, social and economic events or trends including financial crises and economic downturns;
- structural changes in the world diamond market that affect supply or demand;
- speculative trading in diamonds;
- decreased demand for diamonds used in connection with the manufacture of jewellery, as well as for industrial and investment purposes;
- oversupply of diamonds;
- growth of the laboratory-grown gem diamond (**"LGD"**) market;

- production and cost levels in major producing regions;
- inability of diamond wholesalers/distributors to purchase and hold stocks of rough diamonds due to liquidity constraints;
- sales of existing diamond inventories held by private entities, governments and government agencies, industrial organizations and individuals;
- financing available to rough diamond buyers;
- central bank policies, interest rates and expectations with respect to the rate of inflation;
- the exchange rates of the US dollar to other currencies;
- the potential discovery of new material commercial diamond deposits; and
- the outbreak of a global pandemic (such as the COVID-19 pandemic, as discussed in paragraph 3 of this Part 2 ("*Risk Factors*")).

Accordingly, it is impossible to accurately predict future diamond price movements and the Company can give no assurance that existing diamond prices will not decline in the future or that it will be able to mitigate the effect of such price movements. As such, future prolonged declines in the market price of diamonds could have a material adverse effect on the Group's business, results of operations, development and production activities and financial condition.

Future production from the Group's mining properties is dependent upon the price of diamonds being adequate to make these properties economic. In addition, there is uncertainty as to the possibility of increases in world production both from existing mines and the discovery of significant new diamond deposits as world production is on a declining trend and a material discovery would take some years to bring into production. Consequently, as a result of the above factors, prices can be difficult to predict and forecasting is imprecise.

In addition to adversely affecting the financial condition and Reserve estimates of the Group, declining diamond prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project.

Depending on the market price of diamonds, particularly in the case of a significant and prolonged reduction in the price of diamonds, the Company may determine that it is not economically viable to continue commercial production/development at some or all of its properties or the development of some or all of its current prospects, which could have an adverse effect on the Group's business, results of operations and financial condition. In such circumstances, the Group may reduce or suspend some or all of its development and production activities and/or be required to restate its Reserves.

Some level of variability in terms of product mix is associated with large and complex orebodies like Cullinan and Williamson, where the recovery of high value stones varies on a period-to-period basis. Variability is also being experienced in the product mix at Finsch, which contains a lower than expected incidence of gem-quality coarse (larger) diamonds in comparison to historical recoveries. This risk can be addressed by maximising tonnages across the footprint of the orebodies and by optimising plant processes to capture the value within the individual kimberlite’s product profile. However, in the case of Cullinan, it is impossible to predict when exceptional diamonds (valued at +US$5 million) will be recovered as they are truly rare. Variability in overall diamond prices realised as a result of this product mix volatility may have an impact on the Group’s financial performance.

In addition, current global financial conditions can impact global demand for diamonds. The current global financial conditions have been characterised by increased volatility in financial and equity markets, more recently exacerbated by the COVID-19 global pandemic. Recent economic developments in Europe, Asia and particularly North America, together with elsewhere globally, suggest that increased uncertainty regarding regional and global financial stability can impact both consumer confidence and the price of diamonds. The potentially disruptive effect of economic conditions may impact the ability of the Group to obtain equity or debt financing in the future on terms favorable to the Group or at all. Any or all of these economic factors, as

well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Group's operations could be adversely impacted and the trading price of the Ordinary Shares may be adversely affected.

Securities of mining companies, including the Company's Ordinary Shares, have experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in the countries where the Group carries on business and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Group is also likely to be significantly affected by diamond prices, currency exchange fluctuation and the political environment in the countries in which the Group does business and globally.

5. **The Group is subject to currency risk.**

The international prices for diamonds, and therefore the Group's revenue source, is denominated in US dollars, whereas a large proportion of the Group's expenditure is initially recorded in Rand and then translated into US dollars, the Group's reporting currency. The ongoing volatility of the Rand is a significant factor in reporting the Group's costs on a US dollar basis. This exposes the Group to the fluctuations and volatility of the rate of exchange between the US dollar and the Rand as determined in the international markets. Any extreme currency fluctuations (as is currently being experienced with the Rand averaging ZAR16.27/USD$1 for H1 2021 but closing the same period at ZAR14.69/USD$1) could adversely affect the Company's future growth, revenue, expenditure and cash flow. Whilst the Group has from time to time used financial instruments to help manage these risks on a non-speculative basis, (when management is of the opinion that the market conditions are appropriate) any extreme currency fluctuations could adversely affect the Group's future growth, revenue, expenditure and cash flow.

6. **The nature of the Group's business includes risks related to litigation and administrative proceedings.**

The nature of the Group's business exposes it to litigation relating to labor, environmental, health and safety matters, regulatory, tax and administrative proceedings, mining right obligations, governmental investigations, tort claims, contractual disputes and criminal prosecution, among others. Whilst the Group contests litigation against it vigorously and makes insurance claims when appropriate, litigation and other proceedings are inherently costly, lengthy and unpredictable, making it difficult to accurately estimate the outcome of actual or potential litigation or proceedings. Although the Group establishes provisions as it deems necessary, the amounts reserved could vary significantly from any amounts it actually pays due to the inherent uncertainties in the estimation process. There can be no assurance that existing or future legal proceedings or disputes (including, but not limited to, (a) the blocked parcel of diamonds from the Williamson mine, (b) the VAT receivables held by the Group that remain due and outstanding by the tax authorities in Tanzania, and (c) the protective claim forms issued by Leigh Day in the English High Court, relating to allegations of human rights violations at the Williamson mine) will not have a material adverse effect on the Group's ability to conduct its business, financial condition and results of operations, in particular, in the event of an unfavorable outcome. *Further details are set out in paragraphs 7 and 19 of this Part 2 ("Risk Factors").*

7. **There are allegations against the Company and Williamson Diamonds Limited regarding human rights violations.**

During May 2020, the law firm Leigh Day has notified the Company and Williamson Diamonds Limited by letter that it has issued protective claim forms (for limitation purposes) in the English High Court on behalf of 32 claimants, concerning allegations that the claimants suffered personal injury inflicted by Williamson Diamonds Limited's security employees and contractors. In four instances, it is alleged that the injuries have resulted in the death of the relevant individual. One of the claimants will bring an additional claim on behalf of his son who is alleged to have been killed by Williamson Diamonds Limited's security. The precise details of each alleged incident are brief. The claimants who have issued protective claim forms have also obtained an anonymity order and as such, their identities have not been disclosed.

The amount of damages sought is not yet quantified. It is stated that the claimants have suffered loss and damage including personal injuries and death, consequential losses including loss of earnings and medical expenses, pain and suffering and/or loss of amenity. They will also seek aggravated or exemplary damages in

accordance with Tanzanian law. In correspondence the claimants' lawyers have indicated that the damages claimed could be in the order of £5 million (exclusive of legal costs).

In addition, the Company received correspondence from UK-based NGO RAID regarding similar allegations raised by local residents and others relating to actions by Williamson Diamonds Limited, its security contractor and others linked to Williamson Diamonds Limited. The Group has publicly acknowledged the report published in November 2020 by RAID entitled 'The Deadly Cost of Ethical Diamonds' which identifies a number of alleged human rights violations relating to the security operations of the Williamson mine in Tanzania, which are managed by Williamson Diamonds Limited, a third party security contractor and the local Tanzanian police force.

The Group has formed a sub-committee of the Board formed entirely of independent Non-Executive Directors, the Tunajali Committee, with responsibility for evaluating the allegations. This committee has initiated an investigation into the human rights allegations, which is being carried out by a specialist external adviser in conjunction with the Company's lawyers. The Company intends to provide its feedback on the Company's conclusions and next steps in due course.

To date, the allegations have not resulted in any negative business impacts on the Company, including loss of partnerships or customers, but the issue remains a reputational risk which could generate significant negative media coverage and which could damage the Company's standing as a diamond mining group committed to a high level of ethical business practices. Furthermore, the actions of the governments and regulatory bodies in the jurisdictions in which the Group operates are beyond the control of the Group and therefore there is no guarantee that the relationship between the Group and these governments may (or may not) be impacted by these allegations, which may in turn impact the Group's ability to secure licenses and permits going forward.

The claims could also result in the Company being liable to pay financial damages to the claimants, but the likelihood of a payment being required, and if so its amount, is not yet possible to gauge. Any such claims could have a material adverse effect on the Group's financial condition and results of operations.

8. **The Group is subject to the risk of impairment of assets.**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is determined on the fair value less costs to develop. Whilst conducting an impairment review of its assets using the fair value less costs to develop basis using the current life of mine plans, the Group exercises judgement in making assumptions about future rough diamond prices, foreign exchange rates, contribution from exceptional diamonds, volumes of production, Reserves and Resources included in the current life of mine plans, future development and production costs and factors such as inflation and discount rates.

Changes in estimates used could result in further impairments. This is most prevalent at the Koffiefontein and Williamson operations, due to limited headroom on the most recent impairment tests performed. Headroom is limited at these operations due to the fact that the asset values have been written down to mirror impairment results and therefore any shortfall on any parameter would likely result in further impairments in the future. Accordingly the carrying value of the assets remain highly sensitive to a change in any of the underlying assumptions.

Impairment reviews carried out at Cullinan, Finsch, Koffiefontein and Williamson operational assets did not result in an impairment charge or reversal during the Period (H1 FY 2021: US$nil). An impairment review of the Group’s other receivables during the Period (H1 FY 2021) resulted in a net impairment charge US$0.2 million comprising of the Williamson VAT receivable (H1 FY 2019: US$1.6 million, comprising of US$1.7 million in respect of the Williamson VAT receivable and recoupment of US$0.1 million previously impaired in respect of the KEM JV receivable).

Future impairment charges could be recognized should a change in assumptions be deemed necessary, especially around future rough diamond prices, foreign exchange rates, volumes of production, Reserves and Resources included in the current life of mine plans, future development and production costs and factors such as inflation and discount rates. Any such impairment charges could have a material adverse effect on the Group's financial condition and results of operations. Furthermore, future impairments to the assets of the

Group may result in the Company or any of its subsidiaries being technically insolvent on a balance sheet basis.

9. **The Group will be affected by negative changes in consumer demand for diamonds and luxury goods.**

The diamond industry is subject to changes in consumer demand, preferences, personal sentiments, perceptions and spending habits. The Group's performance depends on factors which may affect the worldwide desirability of luxury goods, in particular diamonds as a luxury sub-sector, and which are outside of its control.

Demand for diamonds may be affected by economic, social and political conditions and other factors affecting levels of consumer spending such as anti-diamond and diamond mining sentiment created by activists (including the perception of the prevalence of conflict or illicit diamonds, despite the efforts of the Kimberley Process attempting to combat trade in conflict diamonds), levels of consumer confidence and spending, increased availability and popularity of LGDs and competition from other luxury goods wishing to increase their share of consumer spend. Please also paragraph 14 of this Part 2 ("*Risk Factors*").

In addition, demand for diamonds is subject to trends in fashion and consumer taste which may shift demand towards other precious stones or prove cost-sensitive to higher diamond prices, further reducing the demand for diamonds.

Any decline in the demand for diamonds would cause a reduction in diamond prices, impacting negatively on the price the Group will receive for its products. This would result in a decline in the Group's revenues and have a material adverse effect on the Group's business, results of operations or financial condition.

10. **Mining operations are subject to extensive regulations, including environmental, health and safety, tax and other regulations.**

The Group's mining operations are subject to extensive laws and regulations, which include laws and regulations governing, among other things: development; production; exports; local sales and beneficiation; taxes; labor standards; mining royalties; price controls; waste disposal; protection and remediation of the environment; water use; reclamation; historic and cultural resource preservation; mine safety and occupational health; handling, storage and transportation of hazardous substances; and other matters. Furthermore, the Group is subject to complying with rehabilitation obligations in connection with each of its mining operations. All the South African operations have annual rehabilitation plans as well as a statutorily mandated LOM closure plan. The Group's Tanzanian operations have a rehabilitation strategy procedure as well as rehabilitation sign off criteria. In respect of its South African operations, Guardrisk has put in place guarantees with the DMRE on the back of contributions from the Group. A similar mechanism, to be funded by contributions from Williamson, is being negotiated with the Government of Tanzania, to cover the rehabilitation obligations in respect of Williamson. The South African operations also update the annual environmental closure liabilities in line with the requirements of the DMRE guidelines. A closure plan for Williamson is also in place.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Group's mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the Group would not proceed with the development of, or continue to operate, a mine.

The Group's operations are also subject to health, safety and environmental regulation (including regular environmental impact assessments and permitting) in all the jurisdictions in which it operates. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labor regulations and worker safety. Health, safety and environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent health, safety and environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Any such charges may adversely affect the Group, including materially increasing the Group's cost of doing business or materially affecting its ability to carry on operating in any area.

In addition, the outbreak of the COVID-19 pandemic presented unprecedented challenges to the Group's operations and the safety and wellbeing of its employees, contractors and other local stakeholders. The Group acted quickly to put in place comprehensive systems and strategies to address the COVID-19 pandemic at its operations. In South Africa, a number of regulatory requirements were introduced regarding the permissible continuation of operations. These required the Group to comply with the following matters:

- submitting a Mandatory Code of Practice to the DMRE;
- implementing a Standard Operating Procedure that complied with the Minerals Council of South Africa's COVID-19 guidelines;
- introducing an issue-based risk assessment looking at the Company's approach relating to health screening and testing;
- providing quarantine facilities for employees who have tested positive for COVID-19, as well as arrangements for transporting employees from their homes to their respective areas of operations; and
- implementing COVID-19 contingency plans for the operations, should an entire section be placed under quarantine/isolation, to ensure business continuity.

Whilst the Williamson mine in Tanzania is not subject to the same regulations, similar measures have been implemented to protect the Group's employees, contractors and other local stakeholders whilst the mine is carrying out the essential services still required under care and maintenance.

Failure to comply with applicable environmental, health and safety laws or other obligations associated with the Group's mining rights can result in injunctions, damages, suspension or revocation of permits or mining rights and imposition of penalties or shut down of all or part of the Group's operations. There can be no assurance that the Group has been or will be at all times in complete compliance with such laws or permits, that compliance will not be challenged or that the costs of complying with current and future environmental, health and safety laws and permits will not materially or adversely affect the Group's future cash flow, results of operations, reputation and financial condition. Furthermore, if unforeseen accidents or events occur, or if the Group's environmental protection procedures are inadequately implemented or are not effective, the Group could be subject to liabilities arising out of environmental degradation, personal injuries or death, and its operations could be interrupted. Any one, or a combination, of the foregoing factors could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

11. **The Group needs to manage relationships with local communities, governments and non-governmental organizations.**

The Group maintains contacts and relationships with the governments, regulators and mining industry participants in the countries in which it operates.

The Group currently conducts and will continue to conduct, its operations pursuant to licenses, permits and other authorisations. Any delay and/or refusal by relevant government authorities in the obtaining or renewing of a license, permit or other authorisation may cause a delay to the Group's operations which may adversely affect the Group's production output and revenues and may have a material adverse effect on the Group's results of operations, cash flows and financial condition. In addition, the Group's existing licenses, permits and other authorisations may be suspended, terminated or revoked.

The Group also maintains relations with local communities. For example, the Group spends time working with local communities and their leaders to understand where the Group's assistance is most needed as well as providing local employment and training initiatives. The Group believes mutual support between its operations and the communities around it is vital to the success of its activities and for maintaining the Group's social license to operate.

As a consequence of public concern about the perceived ill effects of mining and land development, particularly in developing countries, mining companies face increasing public scrutiny of their activities. The international standards on social responsibility, community relations and sustainability against which the

Group benchmarks its operations are becoming increasingly stringent and extensive, and adherence to them is increasingly scrutinized by regulatory authorities, citizens groups and environmental groups, as well as by investors and financial institutions. In addition, the Group operates in several countries where ownership of rights in respect of land and resources is uncertain, under political scrutiny and pressure, and where disputes in relation to ownership or other community matters may arise. See paragraph 22 of this Part 2 ("Risk Factors") for more information. These disputes may cause disruption to the Group's operations or development plans.

Failure to manage relationships with local communities, governments and NGOs may harm the Group's reputation as well as its ability to bring development projects into production. In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have increased substantially recently and are expected to further increase over time.

Certain NGOs, some of which oppose globalisation and resource development, are often vocal critics of the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Group's operations specifically, could have an adverse effect on the Group's reputation and financial condition and may impact the relationship with the communities in which the Company operates. Such groups may install road blockades, apply for injunctions for work stoppage and file lawsuits for damages. These actions could have a material adverse effect on the Group's operations. They may also file complaints with regulators in respect of the Group's, and the Directors' and insiders', regulatory filings, either in respect of the Group or other companies. Such complaints may have the effect of undermining the confidence of the public or a regulator in the Group or such Directors or insiders and may adversely affect the Group's prospects of obtaining the regulatory approvals necessary for advancement of some or all of the mining and development plans or operations.

Certain NGOs also target raising consumer awareness of the trade in conflict diamonds (defined as diamonds that originate from areas controlled by forces or factions opposed to legitimate and internationally recognized governments), and have campaigned to widen of the definition of 'conflict diamonds' to include other human rights abuses, and encourage additional regulation of rough diamond sales. These efforts could affect consumer demand for polished diamonds, decrease demand for rough diamonds in the future and result in additional regulatory requirements on the Company.

The Group received correspondence from the UK-based NGO RAID on August 29, 2020 regarding allegations of human rights violations raised by local residents and others relating to actions by Williamson Diamonds Limited, its security contractor and others linked to Williamson Diamonds Limited. The Group has publicly acknowledged the report published in November 2020 by RAID entitled 'The Deadly Cost of Ethical Diamonds' which identifies a number of alleged human rights violations relating to the security operations of the Williamson mine in Tanzania, which are managed by Williamson Diamonds Limited, a third party security contractor and the local Tanzanian police force. The Group has formed a sub-committee of the Board to, amongst other matters, evaluate the allegations raised by RAID.

Further details of these allegations are set out in paragraph 7 of this Part 2 ("Risk Factors").

12. **The Group is highly reliant on two revenue generating producing mines.**

The Group is highly reliant on its two flagship operations, Cullinan and Finsch, which account for the majority of the Group's carat production and revenue streams. For example, in H1 2021, Cullinan and Finsch contributed 60 per cent. and 31 per cent. to revenue respectively. The Group's other operating mines, Williamson and Koffiefontein, contributed 3 per cent. and 6 per cent. respectively, to revenue over the same period. The results of the Group therefore have depended, and are expected to continue to depend significantly, on production at Cullinan and Finsch. Any adverse development at either Cullinan and Finsch which leads to a prolonged and material interruption to or reduction in production levels or cessation of production at one or both of the mines may have a material adverse effect on the Group's production results, and hence on the Group's business, results of operations and financial condition.

13. **The Group is subject to risk from diamond theft.**

The Group has established security measures across the extraction, processing, recovery, transportation and diamond sales chain; however, despite these security measures, there can be no guarantee that there will be no occurrences of theft of diamonds in the future. Such thefts may lead to a decrease in revenue at the Group's operations, which may in turn materially and adversely affect the Group's financial position. The Group's specie insurance policies are applicable once the diamonds are in the transportation and marketing/sales chain.

14. **The diamond industry may be adversely affected by the widespread availability and consumer acceptance of laboratory-grown gem-quality diamonds.**

Man-made LGDs have been available for many years, but historically have predominantly been used to manufacture smaller diamonds for industrial purposes.

Technological advancements mean that gem quality LGDs are now more widely available and as technology advances, it is possible that a larger market for the use of LGDs in jewellery could develop. However, it is also possible that their cost of production will continue to decline, further increasing their value proposition as a cheaper alternative to mined diamonds. Bain & Co estimates LGD substitution to stay within five per cent. to 15 per cent. in value terms when compared to natural diamonds through to 2030, based on lessons learned from the natural versus synthetic sapphires markets. It is difficult to obtain accurate statistics from reliable sources in relation to LGDs making it difficult for the Company to fully ascertain and quantify the level of associated risk.

As LGDs become more widely available and accepted, the Company's customers may experience either a lack of confidence or lack of willingness to purchase natural diamonds. Although equipment exists that can accurately detect LGDs and the Natural Diamond Council ("**NDC**") (of which the Group is a founding member) is tasked with helping to educate consumers on the significant value differential between natural and LGDs, such measures may not completely mitigate the risks of LGDs eroding the price of natural diamonds, which could have an adverse effect on the Group's business, results of operations and financial condition.

15. **The Group depends on key management and operational personnel and may not be able to attract and retain qualified personnel in the future.**

The Group's ability to manage its operations and development activities, and hence its success, depends in large part on its ability to retain current key management personnel and to attract and retain personnel, including management, technical and skilled workers with the appropriate qualifications and/or experience. The loss of the services of one or more key employees could have a material adverse effect on its ability to manage and expand its business, particularly in areas that require specialist knowledge and expertise. The Group currently does not have key person insurance on these individuals.

The retention of management and operational personnel cannot be guaranteed, whilst the Group's current financial position may make it more difficult to attract and/or retain high calibre employees. Furthermore, as a result of the Williamson mine being placed on care and maintenance, there is a risk that not all key management and operational personnel at Williamson will return to their role once the mine becomes operational once more, as they may find alternative opportunities in the interim period. Accordingly, the loss of any key management of the Group may have an adverse effect on the future of the Group's business. The Board has sought to, and will continue to seek to, ensure that Directors, senior managers and any key employees are appropriately incentivised. However, their services cannot be guaranteed. A failure to recruit and retain the appropriate technical and operational mining personnel in South Africa and Tanzania could have a material effect on the Group's production, expansion plans and financial results, as employees with the appropriate skills are in limited supply in these countries. Additionally, underground diamond mining is a specialised and niche mining activity which makes skills recruitment and retention more challenging. An inability to recruit and retain management and operational personnel would have a material adverse effect on the Group's business, results of operations and financial condition.

16. **Mining operations can have a negative environmental impact and cause damage to property and persons.**

The Group's operations sometimes result in the release of hazardous materials (including dust, noise or other polluting substances) into the environment and these releases, whether or not planned, could cause contamination or pose the risk of generating harm to the Group's employees or communities local to the Group's operations. Furthermore, tailings at the Group's mining operations may present a risk to the environment, property and persons. Although the Group has made available mandatory 'Codes of Practice' for all residue deposits at the South African mines as required by, and according to guidelines from, the DMRE and has developed and implemented operating practices at the Williamson mine similar to those required pursuant to the 'Codes of Practice', tailings have the potential to damage the environment by releasing toxic metals, causing erosion and sinkholes, and contaminating soil and water supplies. In addition, many of the Group's mining sites have an extended history of industrial activity. The Group may be required to investigate and remediate contamination, including at properties it formerly operated, regardless of whether it caused the contamination or whether the activity causing the contamination was legal at the time it occurred. The Group also could be subject to claims by government authorities, individuals, employees or third parties seeking damages for alleged illness, personal injury or property damage resulting from hazardous material contamination or exposure caused by its operations or sites. The Group could be required to establish or substantially increase financial provisions for such obligations or liabilities and, if it fails to accurately predict the amount or timing of such costs, the related impact on its business, financial condition or results of operations could be material. Furthermore, the Group could suffer impairment of its reputation, industrial action or difficulty in recruiting and retaining skilled employees as a result of a perceived or actual negative environmental impact (see also paragraph 15 of this Part 2 ("*Risk Factors*")).

In particular, mining operations can cause subsidence (lateral or vertical ground movement) which may lead to the Group being held liable for damage to property surrounding its operations or which can, in some circumstances, cause injury to persons. In October 2019, the Cullinan mine experienced scaling of the open pit wall, resulting in three million tonnes of material falling into the open pit, and in January 2020, the Williamson mine experienced an initial 1.3 million tonne pit slump at the south western sector, both of which occurred after a period of heavy rainfall. The mine at Cullinan was declared safe on the same day following an underground inspection by ventilation specialists and proto team members and there was no material impact on production, however the Group expects that the immediate surrounding area at the Cullinan open pit may be impacted over the medium to longer term by this natural degradation. In respect of Williamson, the pit slump continued to subside and push into the south western sector of the pit during the wet season, mixing with and diluting approximately 4Mt of ore in the current life of mine ("**LOM**") plan. This is expected to lead to grade volatility and an overall grade decrease of approximately three per cent. over the current LOM to 2030. The area affected by the slump is currently stable. Whilst these recent incidents are being managed by the Group, another natural disaster could result in further damage to the Group's assets which could have an impact on the Group's production, ongoing capex expenditure and its reputation and relations with local communities (see also paragraph 11 of this Part 2 ("*Risk Factors*")).

17. **The Group is subject to risks from illegal mining.**

There is an ongoing risk of illegal mining taking place in areas where the Group has surface operations (as opposed to underground), namely the Williamson open pit and the tailings operations of the South African mines. Such incidents are particularly common in volatile countries where unemployment levels are high and governments have insufficient resources to address and combat the issue.

Illegal mining is an ongoing risk at the Williamson mine due to the challenges in securing the large perimeter of the 'Special Mining License' area, which covers 30.6 km2 including the main 146 hectare orebody, together with alluvial resources. This illegal mining activity is managed by the operator, Williamson Diamonds Limited, and the local government authorities on an ongoing basis (see also paragraph 7 of this Part 2 ("Risk Factors")).

Illegal mining is often carried out in unsafe mining conditions which could in turn cause injuries or result in fatalities. Illegal miners accessing the Group's operations present risks associated with contravening a number of regulations for which the Company is held responsible, in particular in the areas of health and safety and environmental management. In the event of non-compliance with such regulations or the occurrence of

accidents or incidents causing personal injury, death or property or environmental damage at the Group's facilities or surrounding areas, there is a risk of increased operating costs, significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licenses as well as reputational damage. In addition, illegal miners may pose a risk to the safety of Group personnel as they may be armed and willing to resort to violence if challenged. This may result in violent confrontations between Group personnel, contractors or law enforcement personnel, resulting in claims for damages against the Group or contraventions of international protocols that apply to the Company. The Group has been subjected to recent allegations of human rights violations at the Williamson mine. Further details regarding these allegations are set out in paragraph 7 of this Part 2 ("*Risk Factors*").

A further risk is the availability of illegally mined diamonds on the black market, which could serve to lower confidence in the integrity of the diamond mining industry.

The current scale of illegal mining at the Group's operations is not anticipated to affect production levels in the short-to-medium term but the potential consequences associated with a major incident could adversely affect the Group's business, results of operations and financial condition.

18. **The Group may be unable to compete successfully for resources, capital funding, equipment and contract exploration, development and construction services with other mining companies.**

The mining industry is competitive in all of its phases and many of the Group's competitors have greater financial resources and a longer operating history than the Group. Increased competition could adversely affect the Group's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable producing properties or prospects for diamond exploration in the future. Increases in diamond prices have in the past, and could in the future, encourage increases in mining exploration, development and construction activities, which results in increased demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment. Any of these outcomes could materially increase project exploration, development or construction costs, result in project delays, or both. As a result of this competition, the Group may be unable to maintain or acquire attractive mining properties.

Risks relating to operating in South Africa and Tanzania

19. **At the Williamson mine in Tanzania, a parcel of diamonds has been blocked from export and the Group holds VAT receivables that remain due and outstanding by the tax authorities in Tanzania.**

In August 2017, media reports appeared in Tanzania about the findings of an investigation into the Tanzanian diamond sector by a parliamentary committee in Tanzania. Following publication of this report, the Company announced on September 11, 2017 that a parcel of diamonds (71,654.45 carats) from the Williamson mine had been blocked from export to its marketing office in Antwerp and certain key personnel from Williamson were being questioned by the authorities. Consequently, production was suspended for four days pending the return of key personnel to the mine. The provisional value assigned to the blocked parcel by TANSORT, the Diamond and Gemstones valuation unit of the Government of Tanzania, was US$14.8 million, however the Company has not had the parcel independently valued. The delay in releasing the blocked parcel has reduced the Company's available working capital and contributed to the constrained liquidity position which led to the placing of the Williamson mine on care and maintenance in April 2020.

The basis for this action has still not been formally made known to the Company; however, media reports suggested the Government of Tanzania's concern about the potential under-valuation of diamond parcels prior to export and the impact this could have on royalty payments. In response to this speculation, the Company publicly confirmed that all operations at Williamson, including the export and sales processes, are conducted in a transparent manner and in full compliance with both the legislation in Tanzania and the Kimberley Process. Furthermore, the Company confirmed that it is not responsible for the provisional valuation of diamond parcels from Williamson; this is carried out by the Government of Tanzania's Diamonds and Gemstones valuation agency. Finally, the Company confirmed that all royalty payments to Government of Tanzania are based on the actual sales proceeds for the diamonds, once sold in Antwerp, rather than the

provisional value prior to export. In the event that the said parcel had been undervalued, the royalty payment would have been adjusted based on the final selling price.

Whilst no member of the Group or its personnel has been charged with any wrongdoing in connection with the above matter and the Company has since this time been given authorisation from the Government of Tanzania to resume diamond exports and sales from Williamson as normal, the parcel of 71,654.54 carats remains detained and blocked for export and there have been media reports suggesting there is the possibility that the Government of Tanzania may seek to nationalise the diamonds. The Company has received communication from the Government of Tanzania that this will be dealt with as part of ongoing discussions with the Government, which resumed at the end of February. The Directors estimate that the revenue impact on the Company of the blocked parcel is approximately US$12.5 million, which is management's view based on the original valuation of the parcel and the subsequent price movement in the diamond market. The Company remains in regular communication with the Government of Tanzania in order to reach a satisfactory resolution, however there can be no certainty that the parcel will be released for sale, and whilst there are no other instances when diamond exports have been blocked before or since, and the Company is not aware of any specific matters as at the date of this Prospectus, there is no guarantee that similar actions will not occur in the future. While a resolution has not yet been reached with regards to the parcel of diamonds that was blocked from export, based on the above judgements and assessment thereof, management remain confident that the diamond parcel will be released by the Government of Tanzania and will be available for future sale.

In addition to the blocked parcel of diamonds, as at December 31, 2020, the Group held VAT receivables of US$10.6 million in respect of the Williamson mine, all of which are past due and have therefore been classified, after providing for a time-value of money provision inclusive of risk adjustments for various factors, as non-current given the potential delays in receipt. Of the total VAT receivables, US$13.0 million (June 30, 2020: US$13.0 million and December 31, 2019: US$13.8 million) relates to historic VAT pre July 2017. The assessment of the carrying value of the VAT receivables under the historic VAT legislation required significant judgement over the timing of future payments, progress and finalisation of VAT audits, ongoing discussions with the relevant authorities in Tanzania and the wider operating environment.

A further US$27.4 million (June 30, 2020: US$26.9 million and December 31, 2019: US$24.2 million) of VAT is receivable which relates to VAT under the legislation, effective from July 2017 to June 30, 2020. Under that legislation, costs incurred in the production and sale of raw minerals were not eligible for VAT and judgement was required in determining whether rough diamonds qualified as raw minerals. The assessment of the carrying value of the VAT receivable under the VAT legislation effective in this period required significant judgement considering ongoing discussions with the relevant authorities in Tanzania, legal advice, a formal rejection letter received from the Tanzania Revenue Authority and the Company’s legal objection thereto and the wider operating environment. In addition to judgement regarding the eligibility for VAT, judgement was required over the timing of future payments. Management has considered the amendment to the VAT legislation for the period July 2017 to July 2020 and considers that input VAT can continue to be recovered in relation to the export of rough diamonds; however, note that the legislation is unclear and the Tanzania Revenue Authority disputes the recoverability of such VAT. It is noted that in June 2020, the VAT legislation was, again, amended to remove any reference to raw minerals with effect from 1 July 2020. Whilst this amendment to the legislation is to be applied prospectively, management considers that this further helps support its view that the VAT receivables in this period are valid and recoverable. Accordingly, the Group is considering various alternatives in pursuing payment in accordance with legislation.

Whilst the Company continues to seek payment of these sums, there is no guarantee that it will be successful or that further VAT receivables will not be withheld in the future, which could have a material adverse effect on the Group's business and financial condition.

20. **Resource nationalism could affect the Group's operations.**

In recent years, resource nationalism around the world has been on the increase with governments repudiating or renegotiating contracts with, and threatening the expropriation of assets from, operating companies. Mineral development is a sensitive political issue and considered of strategic importance in both South Africa and Tanzania and as a result there is a relatively higher risk of direct government intervention in the property, mining rights and title of mining companies as compared to companies operating in other industries in South

Africa and Tanzania. Such intervention could extend to nationalisation, expropriation or other actions that effectively deprive the Company of the benefit of its interest in its property or revenue.

To the extent that any compensation is payable, the amount of compensation payable would be determined taking a number of factors into account and may not amount to the payment of full market value. Therefore, even if the Group did obtain compensation in such a circumstance, there could be no guarantee that the compensation paid would represent the Group's view as to the full value of the asset lost. In such circumstances, in accordance with the Group's financing agreements, its lenders would receive any compensation paid in preference to the Group. Accordingly, any action to nationalise or expropriate any of the property or other assets could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Furthermore, any increased perception that nationalisation or expropriation of the properties may occur could have a material adverse effect on the Group's ability to access financing.

In South Africa, political constituencies (including a faction of the youth league of the African National Congress, the ruling political party, and the Economic Freedom Fighters) have from time to time raised the prospect of nationalisation of all mines in South Africa. Previously, the government of South Africa has reviewed the issue and publicly stated that there is no present intention to consider nationalisation or to change the existing government policy on this issue.

In 2018, the African National Congress announced that it intends, in order to address the racial patterns of land ownership in South Africa, to pursue a policy of expropriation of land without compensation. A parliamentary constitutional review committee has been delegated to consider how this would be achieved and whether this would require changes to the constitution. The parliamentary constitutional review committee has since tabled a bill that seeks to amend the constitution so as to allow for expropriation without compensation in certain circumstances. It is at this point not clear whether this policy in South Africa will apply only to land or to which land it will apply. It is also not clear how such policy in South Africa will be implemented and whether any changes to the constitution are in fact required. There is a risk that all property, including land or mines held by the Group in South Africa, could be expropriated without compensation. Should the mines or mining rights held by the Group in South Africa be expropriated without compensation, the business in South Africa will not be viable. Should only the land, and not the mines or mining rights, owned by the Group be expropriated without compensation, it is expected that the Group will remain entitled to conduct its mining business in South Africa by virtue of the mining rights and assets it holds and the business will remain viable.

In July 2017, the Government of Tanzania announced changes to the Mining Act, as well as two new laws asserting government's 'permanent sovereignty' over its natural resources. As a result, the Tanzanian government empowered itself to renegotiate the terms of mining contracts that the Tanzanian Parliament considered 'unconscionable' (although Williamson Diamonds Limited does not have a mining development agreement in place in respect of the Williamson diamond mine) and banned the export of unprocessed minerals, raised royalty rates and increased government shareholding rights (up to 50 per cent. of the shares of a mining company) and introduced onerous local-content regulations, which came into force on April 10, 2018.

These regulations stipulate that mining companies have to allow for an 'indigenous Tanzanian company' to have at least five per cent. ownership of a project before it is eligible for new mining licenses and must also meet quotas for local recruitment, training and the procurement of local goods and services, as well as conduct business through Tanzanian banks and use only the services of Tanzanian financial institutions, insurance brokers and legal practitioners.

21. **The South African Mining Charter contains stringent ownership requirements that the Group has an ongoing obligation to comply with and there are areas of uncertainty regarding the interpretation of such requirements.**

In South Africa, the Company is required to consider in its commercial activities the Broad Based Black Economic Empowerment Act No. 53 of 2003 and the Mining Charter published under the Mineral and Petroleum Resources Development Act 2002 (as amended) ("**MPRDA**"), the primary objective of which is to broaden ownership and management opportunities for historically disadvantaged South Africans. The Mining Charter provides, inter alia, that as of 2014, 26 per cent. of the ownership in all mining companies must be held by historically disadvantaged South Africans and also sets out certain requirements including in

relation to employment equity, procurement, human resource development, mine community development and beneficiation. For instance, it requires mining companies to procure 40 per cent. of their capital goods, 70 per cent. of their services and 50 per cent. of their consumer goods from historically disadvantaged South Africans and for historically disadvantaged South Africans to achieve workplace employment equity levels of 40 per cent.

In 2018, the third version of the Mining Charter was published by the DMRE which contains enhanced ownership requirements for historically disadvantaged South Africans in relation to mining rights issued after the Mining Charter and also in relation to procurement. In March 2019, the Minerals Council of South Africa (the "**Minerals Council**") applied for a judicial review of the Mining Charter in accordance with the Promotion of Administrative Justice Act. One of the areas subject to such review is whether the ownership requirements in the Mining Charter would apply to renewals, transfers or amendments of mining rights. No court date has been set yet for any hearings on the merit of this matter and the matter will be considered at the time, and in the event that the Company wishes to renew, transfer or amend any of its mining rights.

Separately, on April 4, 2018, the High Court of South Africa ruled in its majority judgment in favor of the Minerals Council that once a mining right has been granted, the holder of the mining right is not legally obliged to restore any fall in the percentage ownership to the 26 per cent. target, unless specifically provided for in the mining right. The DMRE may however insist on the ownership of historically disadvantaged South Africans being restored in the event of renewals, transfers or amendments of mining rights.

Consequently, there is uncertainty as to the precise requirements with regard to black economic empowerment and other social development obligations contained in the mining rights, as well as in relation to the consequences of failing to comply with the Mining Charter or such associated obligations. In addition, there is a risk that the authorities will take a more aggressive approach towards black economic empowerment and threaten (and possibly attempt to suspend or cancel) mining rights if, in the authorities' view, sufficient progress is not being made towards advancing black economic empowerment by the mining right holder. The Mining Charter introduced the concept of suspension and cancelation of mining rights in the event that a mining right holder fails to comply with the provisions of the Mining Charter. It is conceivable that the DMRE may attempt to suspend or cancel mining rights due to non-compliance by the holder of such rights with the Mining Charter or with the social and environmental obligations associated with such rights. Such suspension or cancelation of mining rights would have a material effect on the Company's financial position.

22. **Emerging markets such as those in which the Group currently operates in Africa are subject to greater risks than more developed markets due to underdeveloped physical, financial, political, legal and institutional infrastructure.**

The Group's key operations are in South Africa and Tanzania with (under normal conditions and pre-COVID-19 response measures) approximately 80 per cent. of its revenue coming from mines in South Africa and approximately 20 per cent. from its mine in Tanzania in FY 2019.

Emerging markets such as those in which the Group currently operates are subject to greater legal, regulatory, health, economic and political risks, and are potentially subject to rapid change in their political, fiscal and legal systems which might affect the ownership or operation of the Group's interests which may in turn materially and adversely affect the Group's financial position. Such risks include, among others:

Changes in laws or policies

In emerging markets where the legal system may not be very mature and legal practice may not be as developed, there is greater uncertainty as to the current legal position, as well as the possibility of arbitrary changes in law or the introduction of new laws and regulations which have the potential to increase risk and compliance costs. These may include changes in relation to the foreign control of mining assets, changes with respect to taxes, royalty rates, import and export tariffs, and withholding taxes on distributions to foreign investors, changes in competition legislation or its enforcement, or changes affecting security of title.

For example, as at December 31, 2020, the Group held VAT receivables of US$10.6 million in respect of the Williamson mine, which remain due and outstanding by the tax authorities in Tanzania. Of the total VAT receivables, US$13.0 million (June 30, 2020: US$13.0 million and December 31, 2019: US$13.8 million) relates to historic VAT pre July 2017. A further US$27.4 million (June 30, 2020: US$26.9 million and

December 31, 2019: US$24.2 million) of VAT is receivable which relates to VAT under the legislation, effective from July 2017 to June 30, 2020. Accordingly, the receivable has been discounted by US$29.8 million (June 30, 2020: US$29.6 million and December 31, 2019: US$24.5 million), which required estimates as to the timing of future receipts and determination of a risk adjusted discount rate. A discount rate of 16.25% has been applied to the expected cash receipts inclusive of estimated country credit risk. A 1% increase in the discount rate would increase the provision by US$0.4 million and a one year delay would increase the provision by US$0.7 million.

In addition, in September 2017 a parcel of diamonds (71,654.45 carats) from the Williamson mine in Tanzania was blocked from export to the Group's marketing office in Antwerp. The grounds upon which these actions were taken have not been formally made known to the Company and the parcel remains in the custody of the Government of Tanzania and there have been media reports suggesting there is the possibility that the Government of Tanzania may seek to nationalise the diamonds. The Company has received communication from the Government of Tanzania that this will be dealt with as part of ongoing discussions with the Government, which management expects to conclude during Q4 FY 2021. Whilst the Company continues to seek payment of these sums and release of the parcel, there is no guarantee that it will be successful or that further VAT receivables will not be withheld in the future. Further details are set out in paragraph 19 of this Part 2 ("*Risk Factors*").

The Group could also be subject to adverse interpretations by the authorities or judiciary of the myriad of laws governing the mining industry, including in relation to empowerment (see also paragraph 21 of this Part 2 ("*Risk Factors*")), local beneficiation, COVID-19, taxation, social and environmental matters and the role of the government and government departments in the mining and sale of diamonds. The effect of any of these factors cannot be accurately predicted and may have an adversely affect the Group's business, results of operations and financial condition.

Abuse by authorities

The Group and certain of its affiliated entities conduct business in countries where there is a greater-than-average risk of overt or effective government and other corruption. The Group is committed to doing business in accordance with all applicable laws and its codes of ethics, but there is a risk that it or affiliated entities or their respective officers, directors, employees or agents may act in violation of its codes and applicable laws, including, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act (1977), the Prevention and Combatting of Corrupt Activities Act No. 12 of 2004 and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. A perception that the Group is implicated in such corruption could have reputational implications for the Group and may lead to a loss of customers, revocation of professional body memberships or termination or breach of material agreements.

Additionally, in South Africa there is an ongoing risk of exploitation by authorities who may challenge the sales route of producers or put pressure on producers to sell production at discounted prices and abuse their legislative powers to achieve this. Such authorities may also seek to introduce or abuse legislation to compel producers to sell at reduced prices in order to encourage local beneficiation initiatives.

Risk to properties and rights

The Group operates in countries where title to land and rights in respect of land and resources has not been and may not always be clear, creating the potential for disputes over resource development. Title to the Group's properties or rights may be challenged or impugned, and title insurance is generally not available. Its mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In South Africa, claimants were entitled to lodge with a South African land claims commission under the Restitution of Land Rights Act No. 22 of 1994 (as amended) before June 30, 2019. There is a risk that this date may be extended. The possibility exists that land claims may be made against the mining right areas held by the Group. The current land claim regime requires the government to pay compensation to the land owner and states that a successful claimant is entitled to restoration of the actual land claimed or, where restoration is not feasible, to 'equitable redress'. The current land claims regime requiring that compensation be paid to the land owner in the event of a successful land claim may however be impacted upon as part of the current review in South Africa to investigate land exploration without compensation. The risk of unforeseen title claims could also affect future operations or development projects. Claims under this legal regime may affect the Group's ability to retain, expand or

transfer existing operations or to develop new projects. See paragraph 20 of this Part 2 ("*Risk Factors*") for more information.

Health impacts

HIV and AIDS, tuberculosis, malaria (at the Williamson mine only), COVID-19 and other diseases are prevalent in the areas in which the Group operates. Any significant increase in the incidence of these diseases in the workforce may result in loss of employee man-hours, loss of trained and experienced employees, increased absenteeism, depressed morale and reduced productivity, in addition to increased recruitment and replacement costs, insurance premiums, benefits payments and other costs of providing treatment. These factors would adversely impact the business, operations and financial condition of the Group. In addition, any significant changes in legislation relating to HIV/AIDS or COVID-19 in the workplace could have a cost impact on the business of the Group, in relation to providing for anti-retroviral medication, sick leave and carer leave.

Infrastructure

The mining, drilling, processing and development activities of the Group rely on infrastructure being adequate and remaining available. Certain of the Group's facilities are located in areas that are sparsely populated and difficult to access. Reliable roads, power sources, transport infrastructure and commodity supplies are essential for the conduct of these operations and the availability and cost of these utilities and infrastructure affect capital and operating costs and therefore the Group's ability to maintain expected levels of production and results of operations. Unusual weather or other natural phenomena, sabotage or other interference in the maintenance and provision of such infrastructure could impact the development of a project, reduce production volumes, increase extraction or development costs or delay the transportation of raw materials to the mines and commodities to the end customer (see also paragraph 11 of this Part 2 ("*Risk Factors*")). Any such issues arising in respect of the infrastructure supporting the Company's sites could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The occurrence of one or more of these risks could have a material adverse effect on the Group's future cash flow, earnings and results of operations, financial condition and prospects as the Group generates a significant proportion of its revenue from assets based in emerging markets.

Operational risks

23. **The Group's operations may be adversely affected by interruptions in its electricity or water supply and by increases in overall energy or water costs.**

The Group's mining, processing and development activities depend on adequate utilities, including reliable power sources and water supplies in the relevant jurisdictions. In South Africa and Tanzania, there is a possibility of interruptions to the supply of both water and electricity, both of which could slow or interrupt production, as a result of a lack of investment in generating capacity and a maintenance backlog in some generating facilities. There is also the risk associated with commodity prices themselves being outside the control of the Group and the competitiveness and sustainable long-term profitability of the Group depends significantly on its ability to reduce costs and maintain a spectrum of low-cost, efficient operations.

Electricity

Whilst the Group has put in place contingency arrangements for electricity (such as a back-up generators at all of the South African operations), these are not as efficient to run as a normal national grid supply of electricity and there can be no guarantee that power shortages or outages at the Group's mines will not occur or that the back-up generators will be available to compensate for load reductions as intended. Such self-generation of electricity is also significantly more costly than electricity purchased from a national grid which itself has been subject to significant and consistent cost increases in recent years. For example, electricity prices in South Africa increased by approximately six per cent in 2018 and a further approximately 14 per cent in 2019. As such, there is the associated risk that increased costs resulting from higher inflation in South Africa, without a concurrent devaluation of the local currency against the US dollar or an increase in the price of rough diamonds, could have a material adverse effect upon the Group's business, results of operations and financial condition.

Further to the COVID-19 outbreak in South Africa, significantly lower power usage was required from the mining industry during the initial lockdown period, which has helped to improve power availability in the country. If scheduled maintenance is continued as planned, network power supply is expected to stabilise during the next 18 to 24 months.

In Tanzania, the power supply quality remains consistent.

Water

Most of South Africa and Tanzania are composed of water scarce areas. The Group's operations are water intensive and prolonged drought conditions may cause unplanned downtime and production cutbacks. Likewise, changes in temperature, as may be expected as a result of climate change, may affect the availability of raw water for treatment processes and impact on natural water sources that sustain the communities around the Group's operations.

There is a risk that the Group will not be able to secure sufficient sources and quantities of water. In South Africa, the National Water Act No. 36 of 1998 requires a water license for water uses not currently authorized in terms of the relevant transitional provisions. In recent years, the Company has applied for and successfully received water use licenses for each of its operations in South Africa. However, there is a risk that the Group will be unable to obtain water use licenses for other new projects, that a water use license granted to the Group will be subsequently revoked, or that the Group may not be able to develop the infrastructure required to transport water subject to a water use license on an economically viable basis.

Any failure or unavailability of the water or electricity supply on which the Group's operations rely or require could adversely affect the production output from its mines or impact its exploration activities or the development of a mine or a project. If the utilities used by the Group are affected, it could have a material adverse effect on the Group's business, results of operations and financial condition.

24. **The business of the mining and production of diamonds from diamond deposits involves a number of risks and hazards, many of which are outside of the Group's control, not all of which are fully covered by insurance.**

The Group's business operations, like those of other mining companies, are subject to risks and hazards inherent in the mining industry. In particular, these risks and hazards include (but are not limited to):

- geological, geotechnical and seismic factors;
- environmental hazard and weather conditions;
- discharge of pollutants or hazardous chemicals;
- industrial and mechanical accidents;
- occupational and health hazards;
- failure of processing and mechanical equipment and other performance problems;
- the unavailability of materials and equipment;
- unanticipated transportation costs or disruption;
- unexpected shortages or increases in costs of spare parts and equipment;
- unanticipated variations in grade and other geological problems, water conditions, surface or underground conditions;
- unanticipated processing problems;
- encountering unanticipated ground or water conditions and unexpected or unusual rock formations;

- periodic interruptions due to inclement or hazardous weather conditions;
- uncontrolled explosions; and
- force majeure factors, other acts of God or unfavorable operating conditions.

Many of these risks and hazards may be potentially exacerbated by the COVID-19 pandemic. Notwithstanding COVID-19, any of these events can materially and adversely affect, among other things, the Group's work programme, the development of properties, production quantities and rates, costs and expenditures and production commencement dates. Production delays and declines, whether or not as a result of the foregoing conditions, may result in lower revenues or cash flows, until such time, if at all, that the delay or decline is cured or arrested. Such risks could also result in damage to, or destruction of, mine properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on future cash flow, results of operations and financial condition.

Poor safety performance can also lead to temporary mine closures, thereby impacting production results. The Group is highly focused on managing its safety performance and follows a risk-based approach which entails continual hazard identification, risk assessment and instilling safety awareness into the workplace culture. Health and safety targets are explicitly included as part of the Group's annual bonus framework.

In H1 2021, the Group reported an increased lost time injury frequency rate ("**LTIFR**") of 0.50 ((H1 FY 2020: 0.22 and FY 2020: 0.29), improving from 0.65 for Q1 FY 2021. The majority of the accidents in H1 FY 2021 continued to be behavioural in nature. Considerable focus is being placed on reinforcing safe behaviour and continuous improvement in striving for a zero harm working environment. The total number of injuries during the Period, which includes lost time injuries, reduced to 19 (H1 FY 2020: 24).

The Group's processing facilities are dependent on continuous mine feed to remain in operation. Any significant disruption in either mine feed or processing throughput may have an immediate adverse effect on the results from its operations. A sustained and significant reduction in mine feed or processing throughput at a particular mine could cause the unit cost of production to increase to a point at which the Group could determine that some or all of its Reserves are or could be uneconomic to exploit. The Group periodically reviews mining schedules, production levels and asset lives in its life of mine planning for all of its operating and development properties. Significant changes in life of mine plans can occur as a result of mining experience, new discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, diamond price assumptions, foreign exchange rates, cost estimates and other factors.

The Group's ability to maintain or increase its annual production of diamonds will be dependent on its ability to continue to develop its existing mines and related infrastructure, prolong the mine plans of its existing mines and bring new mining areas into production. To plan these developments, the Group utilises the operating history of its existing mines to derive estimates of future operating costs and capital requirements. However, such estimates are subject to a number of factors outside the Group's control and may differ materially from actual operating results and expansions may not be realized in the timeframe contemplated. As a result, any benefits, synergies or efficiencies expected from any developments or expansion may take longer than expected to be achieved or may not be achieved at all. In any expansion, actual production may vary from estimates of future production for a variety of reasons, which may result in lower revenue or cash flows from operating activities until such time, if at all, that such production can be increased.

The Group maintains commercial insurance to cover the risks associated with the ordinary operation of its business. However, there can be no assurance that the Group will be able to obtain similar levels of cover on acceptable terms going forward or at all. In addition, even with such insurance in place, the risk remains that the Group may, in general, incur liabilities to its customers and other third parties which exceed the limits of such insurance cover or are not covered by it. There is also a risk that the insurers may repudiate claims that the Company believes are insured and the matter becoming subject to protracted litigation. Furthermore, insurance against certain environmental risks or natural disasters is not generally available to the Group or other companies within the mining industry.

As a result of the foregoing risks, capital expenditures on any and all projects, actual production quantities and rates, and cash operating costs may be materially and adversely affected by events outside of the Group's control and may differ materially from anticipated capital expenditures, production quantities and rates, and operating costs. In addition, estimated production dates may be delayed materially, in each case especially to the extent development projects are involved. Any such events can materially and adversely affect the Group's business, financial condition, results of operations and cash flow.

25. **The Group may be subject to labor disputes and disruptions.**

The Group's production is dependent on a stable and productive labour workforce. The mining labour relations environment in South Africa has been notably volatile over the years, but much less so specifically in the diamond sector, where there is a higher incidence of mechanisation and skilled workers, leading to smaller and more manageable workforces which do not rely on migrant labour.

In H1 FY2021 the Company announced that it had reached agreement on a new one-year wage agreement with National Union of Mineworkers (**"NUM"**) for employees in the Paterson A and B Bands at the South African operations covering FY 2021. The Company will therefore look to continue discussions in due course with NUM on a wage agreement for FY 2022. Petra remains highly focused on managing labour relations and on maintaining open and effective communication channels with its employees and the appropriate union representatives at its operations.

Deterioration in economic conditions, an adverse change in circumstances or decreases in demand for diamonds may also necessitate reductions in the Group's workforce. As a result, there can be no guarantee that the Group will not be required to implement workforce reductions. Such reductions may result in strikes, industrial relations disputes and other related disruptions to production that could adversely affect the Group's business, financial condition and results of operations. These reductions may also adversely impact the 'continuous operations' arrangements which have been implemented at Cullinan and Finsch in response to the COVID-19 pandemic.

26. **The Group utilises third party providers and contractors, and the lack of availability, or failure to properly perform services, of one or more of these third party providers and contractors may adversely affect the Group.**

Whilst the Group uses relatively few third party providers and external contractors in its ongoing operations, primarily operating a model whereby each mine has its own labor force, the third party providers and contractors which are utilised by the Group are of strategic importance. Therefore, the lack of availability of, or failure to properly perform services by, one or more of these third party providers and contractors could result in a decrease in the Group's production or delays in the development of projects which in turn could impact the Group's results of operations and financial condition. In particular, a number of resources are only available through a limited number of third parties and, lead-times, work slow-downs, stoppages or other labor related developments or disputes involving such third parties or contractors are out of the Group's control.

There can be no assurance that the Group will be able to secure in a timely manner, on commercially acceptable terms or at all, the provision of all of the services that the Group will need to execute its mining and development plans, or that such arrangements (both current and planned) will be sufficient for its future needs or will not be interrupted.

In addition, certain of the services the Group requires are or may in the future be available on commercially reasonable terms only from a limited number of providers and it may encounter difficulties in securing the services of specialised contractors due to high demand for those services.

As a result, the Group is dependent on external contractors performing satisfactorily and fulfilling their obligations. Whilst the Group is not aware of any specific matters, the Group's business and development plans may be adversely affected by any failure or delay by third parties in supplying these services, by any change to the terms on which these services are made available or by the failure of such third party providers to provide services that meet its quality or volume requirements.

If the Group is obliged to change a provider of such services, it may experience additional costs, interruptions to production or other adverse effects on its business. There is a risk that the Group may not be able to find adequate replacement services on commercially acceptable terms, on a timely basis, or at all.

Should the Group be unable to acquire or retain providers of key services on favorable terms, or should there be interruptions to, or inadequacies with, any services provided, there could be a material adverse effect on its business, financial condition and results of operations.

27. **There can be no assurance that the Group's published diamond Reserves and Resources will be recovered or that they can be brought into profitable production and any possible recalculation or reduction of its Reserves and Resources could materially affect the Group's long-term results of operations and long-term viability.**

The Group's Reserves and Resources described in this document constitute estimates that comply with standard evaluation methods generally used in the international mining industry, and have been reported in accordance with the SAMREC Code. In respect of these estimates, no assurance can be given that the estimated Reserves and Resources will be recovered or that they will be recovered at the rates estimated. Reserve and Resource estimates are based on accepted levels of sampling and drilling, combined with production data and, consequently, are uncertain, because the information used is not completely representative of the whole orebody. Reserve and Resource estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of diamonds, as well as increased production costs or reduced recovery rates, changes in the mine plan or design, or increasing capital costs may render certain Reserves and Resources uneconomic and may ultimately result in a restatement of Reserves and/or Resources.

There are numerous uncertainties inherent in estimating Proven Reserves and Probable Reserves and Measured Resources, Indicated Resources and Inferred Resources, and in projecting potential future rates of production including many factors beyond the Group's control. Estimating Reserves and Resources is a subjective process and a function of many factors. Accuracy depends on the quantity and quality of available data and assumptions and judgments used in engineering and geological interpretation, which may be unreliable as well as economic conditions and market prices being generally in line with estimates. If the price estimates used to derive the Group's reported Reserves and Resources are higher than the market prices of diamonds at the time of recovery and subsequent sale, the volume of diamonds that the Group could mine economically may decrease, potentially requiring the Group to reduce its reported Reserves and Resources.

If Proven Reserves or Probable Reserves are developed, it may take a number of years and substantial expenditures from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. In the event that new Reserves are not developed, the Group will not be able to sustain any mine's current level of Reserves beyond the life of its existing Reserve estimates. The combination of these factors may cause the Group to expend significant resources (financial and otherwise) on a property without receiving a return on investment. No assurance can be given that the Group's development programmes will result in the replacement of current production with new Reserves or that the Group's development programme will be able to extend the life of the Group's existing mines.

Reserves and Resources estimates are subject to independent third party review at least annually. The methodology for estimating Reserves and Resources may be updated over time and is reliant on certain assumptions being made. Results of the Group's mining and production subsequent to the date of an estimate may lead to revision of estimates due to, for example, fluctuations in the market price, reduced recovery rates or increased production costs due to inflation or other factors which may render Reserves and Resources containing lower grades of mineralisation uneconomic to exploit over the long term. Such revisions of estimates may ultimately result in a restatement of Reserves and/or Resources.

The Group updates its Reserves and Resources annually and its most recent published resource statement is dated June 30, 2020 (the "**2020 Resource Statement**"). The 2020 Resource Statement notes that while the KX36 project in Botswana remained within the Company as at June 30, 2020, it was sold post year end. The 2020 Resource Statement also includes a final update of the 2018 interim Cullinan resource estimate, including all outstanding sampling information from the recently completed C-Cut block cave development.

In light of the factors described above, no assurance can be given that the estimated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Reserves can be mined or processed profitably. Actual Reserves may not conform to expectations and the volume and grade of diamondiferous ore recovered may be below the estimated levels. In addition, there can be no assurance that diamond recoveries in small-scale laboratory tests will be duplicated in larger-scale test under on-site conditions or during production. Factors such as lower market prices, increased production costs and reduced recovery rates may render the Group's Reserves uneconomic to exploit and may result in the revision of its Reserves and Resources estimates from time to time. If the Group's actual Reserves and Resources are less than current estimates, the Group's business, results of operations and financial condition may be materially and adversely affected.

Risks Relating to the Notes and the Company's Structure

28. **The Company's leverage and debt service obligations could adversely affect the Company's business, financial condition, results of operations and the Company's and its subsidiaries' ability to satisfy their debt obligations, including the Notes and the Guarantees**

As of December 31, 2020, on a *pro forma* basis after giving effect to the Consensual Restructuring, the Company would have had an aggregate principal amount of $457.0 million of debt outstanding, all of which would have been second-priority secured indebtedness represented by the Notes. On or around the Issue Date, the Company made certain repayments, amendments and cancelations in respect of the Existing Senior Facilities such that it will become party to the Senior Facilities. The Senior Facilities will provide for ZAR1,760,483,189.94 ($119.9 million) in rand facilities. The Senior Facilities will be guaranteed by the Guarantors and secured by the Collateral on a first-priority basis. Certain of the Guarantors are direct borrowers under the Senior Facilities. See "Description of Certain Financing Arrangements". The Company will be permitted to borrow substantial additional indebtedness, including secured debt, in the future under the terms of the Indenture.

The degree to which the Company is leveraged could have important consequences to the Company's business and holders of the Notes, including:

- making it difficult for the Company to satisfy its obligations with respect to the Notes or its other indebtedness;
- increasing the Company's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of the Company's cash flow from operations to make interest and principal payments on its debt, thereby reducing the availability of such cash flow for other purposes;
- limiting the Company's ability to obtain additional financing to fund working capital, capital investments, acquisitions, debt service requirements, business ventures, or other general corporate purposes;
- limiting the Company's flexibility in planning for, or reacting to, changes in its business, the competitive environment and the industry in which the Company does business; and
- adversely affecting the Company's competitive position due to its debt burden being higher than that of its competitors.

Any of these or other consequences or events could have a material adverse effect on the Company's business, financial condition and results of operations and the Issuer's ability to satisfy its obligations under the Notes.

29. **Claims of the Company's first-priority senior secured creditors will have priority with respect to their security over the claims of the holders of the Notes, and the claims of holders of the Notes will be effectively subordinated to the rights of the Company's existing and future secured creditors to the extent of the value of the assets securing such creditors which do not also secure the Notes**

Pursuant to the terms of the Intercreditor Agreement, claims of the Company's first-priority senior secured creditors including lenders under the Senior Facilities and certain hedge counterparties will have priority with respect to the assets securing their indebtedness over the claims of holders of the Notes.

The Indenture will permit the Company to incur additional first-priority senior secured indebtedness which will also have a prior claim on all proceeds realized from any enforcement of Collateral. As a result, holders of the Notes may receive less, rateably, than the holders of the Company's first-priority secured indebtedness, including the lenders under the Senior Facilities and certain hedge counterparties. If the proceeds realized from the enforcement or sale of such Collateral exceeds the amount owed under the Company's first-priority senior secured indebtedness, any excess amount of such proceeds will be paid to the Trustee on behalf of itself and the registered holder of the Notes for the benefit of the holders of the Notes. If there are no excess proceeds, or if the amount of such excess proceeds is less than the aggregate amount of the obligations under the Notes, the holders of Notes will not fully recover (if at all) under such Collateral.

In addition, claims of the Company's secured creditors which are secured by assets that do not also secure the Notes will have priority with respect to such assets over the claims of holders of the Notes. As such the claims of holders of the Notes will be effectively subordinated to the claims of such secured creditors to the extent of the value of the assets securing such indebtedness.

As of the Issue Date, the Company had an aggregate of ZAR1,600.5 million first-priority senior secured indebtedness and expects to have an aggregate of ZAR160 million in Rand facilities available to the Company. The Issuer is a finance company with no independent operations and will depend on payments from the Company's subsidiaries to provide it with funds to meet its obligations under the Notes.

The Issuer is a special purpose finance company that was formed for the purpose of offering and issuing the Existing High Yield Notes. The Issuer has limited assets and does not conduct any business operations and, therefore, it has a limited ability to generate revenue. The Issuer's material liabilities will include the Notes and any additional debt it may incur in the future. See "*Description of Notes*" and "*Description of Certain Financing Arrangements*". As such, the Issuer will be dependent upon payments from the Company's operating subsidiaries under proceeds loans or capitalization by the Company using proceeds from dividends from its operating subsidiaries to make any payments due on the Notes. If the Company's subsidiaries fail to make payments to Petra Diamonds UK Treasury Limited, it is not expected that Petra Diamonds UK Treasury Limited will be able to pay funds to the Issuer, which in turn will not have any other sources of funds that would allow it to make payments on its indebtedness.

The ability of the Company's subsidiaries to make payments to Petra Diamonds UK Treasury Limited will depend upon their cash flow and earnings which, in turn, will be affected by all of the factors discussed in these "Risk Factors" and elsewhere in this Prospectus. The payment of dividends and the making, or repayment, of loans and advances to the Company by its subsidiaries are subject to various restrictions, including restrictions on certain intra-group payments pursuant to the Intercreditor Agreement. Existing and future debt of certain of these subsidiaries may prohibit the payment of dividends or the making, or repayment, of loans or advances to the Company. The position with respect to withholding taxes and availability of relief from such withholding taxes pursuant to applicable double taxation treaties or otherwise may have an adverse impact on such payments. In addition, the ability of any of the Company's direct or indirect subsidiaries to make certain distributions may be limited by the laws of the relevant jurisdiction in which the subsidiaries are organized or located, including financial assistance rules, corporate benefit laws and other legal restrictions which, if violated, might require the recipient to refund unlawful payments.

The inability to transfer cash among the Company's subsidiaries may mean that even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted to make the necessary transfers from one entity in their restricted group to another entity in their restricted group in order to make payments to the entity owing the obligations. In addition, the subsidiaries of the Company (other than the Issuer) that do not guarantee the Notes have no obligation to make payments with respect to the Notes or

otherwise make funds available for that purpose. Any of these or other consequences or events could have a material adverse effect on the Company's business, financial condition and results of operations and the Issuer's ability to satisfy its obligations under the Notes.

30. **We may be required to repay or refinance the Senior Facilities prior to the maturity of the Notes**

The Senior Facilities have maturity dates prior to the maturity of the Notes and certain facilities are payable on demand. We may not have sufficient liquidity to repay the Senior Facilities on their maturity dates or on demand and we may not be able to refinance these facilities on commercially reasonable terms or at all. If we are not able to repay or refinance these facilities, we may be subject to default under the agreements governing the Senior Facilities and may be unable to meet our obligations under such agreements or the Indenture.

31. **Restrictive covenants in the Indenture and the Senior Facilities may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our business, results of operations and financial condition**

The Indenture will contain negative covenants restricting, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make certain payments, including dividends or other distributions, with respect to the shares of a particular entity;
- create or incur certain liens;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- sell, lease or transfer certain assets, including stock of Restricted Subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to a particular entity;
- engage in certain transactions with affiliates;
- enter into arrangements that restrict dividends or other payments to us;
- enter into transactions with affiliates;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and
- impair the security interest for the benefit of the holders of the Notes.

All of these limitations will be subject to significant exceptions and qualifications. The Senior Facilities contain similar limitations. See "*Description of Notes - Certain Covenants*" and "*Description of Certain Financing Arrangements - Description of the New Bank Facilities*". The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

In addition, the Senior Facilities will require the Company to comply with certain affirmative covenants and as well as leverage, finance charge coverage and other ratios. The restrictions contained in the Indenture and the Senior Facilities could affect the Company's ability to operate its business and may limit its ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect the Company's ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, the Company's ability to comply with these covenants and restrictions may be affected by events beyond its

control. These include prevailing economic, financial and industry conditions. If the Company were to breach any of these covenants or restrictions, it could be in default under the Senior Facilities.

Upon the occurrence of any event of default under the Senior Facilities, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could elect to declare all amounts outstanding, together with accrued interest, immediately due and payable and, in the case of the revolving credit and working capital facilities, cancel the availability of the facilities. In addition, any default under the Senior Facilities could lead to an event of default and acceleration under other debt instruments that contain cross default or cross acceleration provisions, including the Indenture. If our creditors, including the creditors under the Senior Facilities, accelerate the payment of those amounts, we cannot assure that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Notes. In addition, if the Company is unable to repay those amounts, our creditors could proceed against the collateral that secures the debt under the Senior Facilities, certain hedging liabilities and the Notes.

32. **Applicable law and other limitations on the enforceability of the security may adversely affect its validity and enforceability**

The obligations of the Issuer under the Notes and of the Guarantors under the Guarantees will be, subject to the restrictions and limitations detailed herein, secured by the Collateral on a second ranking basis. The security may be subject to claims that it should be limited or subordinated in favor of our existing creditors and future creditors under applicable law. In addition, enforcement of the security will be limited to the extent of the amount which can be secured by the Issuer and the Guarantors without rendering the security voidable or otherwise ineffective under applicable law. Enforcement of the security against the Issuer and the Guarantors will be subject to certain defences available to security providers generally. These laws and defences include those that relate to insolvency, voidable preference, financial assistance, corporate purpose or benefit, the preservation of share capital, thin capitalization and defences affecting the rights of creditors generally. The effectiveness or enforceability of any security created by a Guarantor in relation to any property situated outside the jurisdiction governing that security, or in relation to property governed by any law other than the law governing that security, will be determined by the law of the place in which the relevant property is situated or such other law. This will limit the ability of the Security SPV or Noteholders to enforce security over, and realize value from, certain assets of such Guarantor(s).

33. **There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Guarantees will be released automatically, without Noteholder consent or the consent of the Trustee or the Security SPV**

Under various circumstances, the Collateral securing the Notes and the Guarantees will be released automatically, including upon the discharge of all first-priority secured indebtedness secured on the Collateral and concurrent release of all other liens on such Collateral securing such first-priority secured indebtedness; provided, however, that if the Issuer or any Guarantor subsequently incurs Indebtedness that is secured by Liens on assets of the type constituting the Collateral on the Issue Date, then the Company and its Restricted Subsidiaries will be required to reinstitute the security arrangements with respect to such assets in favor of the Notes, which arrangements will create liens on a second ranking basis over the assets securing such first-priority secured indebtedness to the same extent provided by the Security Documents and subject to an intercreditor agreement that provides the Security SPV substantially the same rights and powers as afforded under the Intercreditor Agreement and the other circumstances as set forth under set forth under "*Description of Notes - Release of the Collateral*".

Under various circumstances, a Guarantee of a Guarantor will be automatically released as set forth under "*Description of Notes - Guarantees Release*" including in connection with an enforcement sale. Under the Intercreditor Agreement, the holders of the Notes have limited ability to enforce the transaction security and have agreed that the Collateral and Guarantees may be released in certain circumstances without their consent".

Upon any release of a Guarantee of a Guarantor in connection with an enforcement sale as described above, the creditors of such Guarantor would be entitled to be paid in full before any payment may be made to the holders of the equity of such Guarantor, if at all. In addition, the Collateral available to secure the Notes could

be reduced in connection with the sales of assets or otherwise, subject to the requirements of the Indenture and the other financing documents.

34. **The Guarantees and the security interests over the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability**

The Issuer and the Guarantors are organized under the laws of South Africa, Bermuda, The Netherlands, Jersey, Belgium and the United Kingdom. Although laws differ among these jurisdictions, in general, applicable fraudulent transfer and conveyance laws, equitable principles and insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Guarantees and the Collateral against a Guarantor. See Part 14 "*Certain Insolvency Law Considerations and Certain Limitations on Guarantees*".

Enforcement of any of the Guarantees against any Guarantor will be subject to certain defences available to Guarantors in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defences generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. If one or more of these laws and defences are applicable, a Guarantor may have no liability or decreased liability under its Guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Guarantee against any Guarantor.

Although laws differ in various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate, reduce or void the Guarantees or the security interests in the Collateral and, if payment had already been made under a Guarantee or the relevant security interests, require that the recipient return the payment to the relevant Guarantor or the relevant security provider, if the court found that:

- the relevant Guarantee was incurred or security interest was created with actual intent to hinder, delay or defraud current or future creditors or shareholders of the Guarantors or the relevant security providers with a desire to prefer some creditors over others or the relevant obligor was insolvent when creating the security interest or, in certain jurisdictions, if the recipient was aware that the relevant obligor was insolvent when it granted the relevant Guarantee or created the relevant security interest;

- the Guarantor or the relevant security provider did not receive fair consideration or reasonably equivalent value for the relevant Guarantee or the creation of the relevant security interest and the Guarantor or the relevant security provider was: (i) insolvent or rendered insolvent because of the relevant Guarantee or the creation of the security interest or subsequently became insolvent for other reasons; (ii) undercapitalized or became undercapitalized because of the relevant Guarantee or the relevant security interests; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity or create an imbalance between the other financial burdens assumed by the Guarantors or the relevant security provider;

- the relevant Guarantees or the relevant security interests were held to exceed the corporate objects of such obligor or the credit lines which effectively benefit such obligor or not to be in the best interests or for the corporate benefit of the relevant obligor;

- the amount paid or payable under the relevant Guarantee was in excess of the maximum amount permitted under applicable law; or

- the relevant security interest securing a third party's debt was not approved by the relevant corporate body.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;

- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent and prospective liabilities, as they become due; or

- it cannot pay its debts as they become due.

We cannot confirm which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Guarantee was issued, that payments to holders of Notes constituted preferences, fraudulent transfers or conveyances on other grounds.

The liability of each Guarantor under its Guarantee will be limited to the amount that will result in such Guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court decided that a Guarantee was a preference, fraudulent transfer or conveyance and voided such Guarantee, or held it unenforceable for any other reason, Noteholders may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the relevant Guarantee which has not been declared void. In the event that any Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes, or any Guarantee is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure Noteholders that we can ever repay in full any amounts outstanding under the Notes, or that in turn, the Issuer can ever repay in full any amounts outstanding under the Notes.

In many jurisdictions those limitation languages have not been tested in court and it is uncertain whether, in the event of violation of capital maintenance or similar rules, a security interest or a Guarantee will be null and void altogether or only in part (i.e., to the extent it is not compliant with capital maintenance or similar rules). Irrespective thereof, the application of such limitation language may result in a security interest or a Guarantee having a value of zero because of insufficient profits or assets of the respective Guarantor.

If a court were to find that the issuance of a Guarantee or the granting of security interests over the Collateral was a fraudulent conveyance or held it unenforceable for any other reason, the court could hold that the payment obligations under the Notes or such Guarantee are ineffective, or require the Noteholders to repay any amounts received with respect to the Notes funded by any payments on the Notes that are guaranteed by such Guarantee or secured by such Collateral. In the event of a finding that a fraudulent conveyance occurred in respect of the Guarantee or the Collateral, the Noteholders may cease to have any direct claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and indirectly, if applicable, of the other Guarantors under any Guarantees which have not been declared void.

In addition, under the terms of the Indenture, we will be permitted in the future to incur additional indebtedness and other obligations that may share in the security interest under the Collateral indirectly securing the Notes. The granting of new security interests may require the releasing and retaking of security or otherwise create new hardening periods in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it.

The Collateral in relation to the Notes is described under the caption "*Description of Notes - Collateral*" and "*Description of Certain Financing Arrangements - Description of the Collateral*". Under various circumstances, all or a portion of the Collateral may be released, including:

- in connection with certain enforcement actions taken by the creditors under certain of our secured Indebtedness in accordance with the Intercreditor Agreement, and to the extent applicable, any

Additional Intercreditor Agreement as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*";

- as described under "*Description of Notes—Amendment, Supplement and Waiver*";
- upon repayment in full of the Notes; or
- in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant to the covenant described under "*Description of Notes - Certain Covenants -Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*", upon the release or discharge of the Guarantee of Indebtedness by such Restricted Subsidiary which results in the obligation to Guarantee the Notes so long as no Event of Default would result and provided that such Restricted Subsidiary does not Guarantee any other Indebtedness of the Issuer or any Guarantor,

provided that, in each case, the applicable Guarantor has delivered to the Trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent provided for in the Indenture relating to such release have been complied with.

In addition, the Guarantees (other than the Guarantee of the Company) will be subject to release as contemplated under the Intercreditor Agreement and the Indenture. See "*Description of Notes - Guarantees Release*". Unless consented to, the Intercreditor Agreement provides that the Security SPV shall not, in an enforcement scenario, exercise its rights to release the relevant Guarantees or security interests in the Collateral where the aggregate book value of the assets which are the subject of that sale or disposal exceeds an amount to be agreed, unless the relevant sale or disposal is made:

- for consideration, all or substantially all of which is in the form of cash or cash equivalents;
- to the extent there is a release of Guarantees or security granted for the benefit of the Noteholders, concurrently with the discharge or release of the indebtedness of the disposed entities to certain other creditors, including the creditors under the Senior Facilities; and
- pursuant to a public auction, or a fairness opinion has been obtained from an internationally recognized investment bank or accounting firm selected by the Security SPV.

See "*Description of Certain Financing Arrangements - Intercreditor Agreement*" and "*Description of Notes*".

Upon any release of a Guarantee by a Guarantor in connection with an enforcement sale as described above, the creditors of such Guarantor would be entitled to be paid in full before any payment may be made to the holders of the equity of such Guarantor, if at all. In addition, the Collateral available to secure the Notes could be reduced in connection with the sales of assets or otherwise, subject to the requirements of the Indenture and the other financing documents.

35. An active trading market may not develop for the Notes, in which case the ability of Noteholders to transfer the Notes will be more limited

The Notes are new securities for which there is currently no market. A liquid market for the Notes may not develop and Noteholders may not be able to sell the Notes at fair value, or at all. Although application will be made for the Notes to be listed on Euronext Dublin, the Notes may not become or remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Regulated Market of Euronext Dublin, failure to be approved for listing or the delisting of the Notes, as applicable, from Euronext Dublin may have a material effect on a holder's ability to resell the Notes in the secondary market. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any market for the Notes will likely be subject to similar disruptions.

The liquidity of, and trading market for, the Notes may also be hurt by declines in the market for high yield securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Company's or the Issuer's financial performance and prospects.

36. **Certain of the Company's borrowings bear interest at floating rates which could rise significantly, thereby increasing its interest cost and reducing cash flow**

A portion of the Company's indebtedness, including borrowings under the Senior Facilities, bears interest at per annum rates equal to JIBAR, in each case adjusted periodically, plus a margin. Interest rates could rise significantly in the future, thereby increasing the Company's interest expenses associated with these obligations, reducing cash flow available for capital investments and limiting the Issuer's ability to make payments on the Notes. Although the Company has entered into certain hedging arrangements designed to fix a portion of these rates and may continue to do so, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. In addition, hedging itself carries certain risks, including that the Company may need to pay a significant amount (including costs) to terminate any hedging arrangements. See "*Description of Certain Financing Arrangements – New Bank Facilities*".

37. **Transfer of the Notes will be restricted, which may adversely affect the value of the Notes**

The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. The Issuer has not undertaken to effect any exchange offer for the Notes and this may adversely affect the value of the Notes. For further information about these and other transfer restrictions, please see Part 10 of this Prospectus ("*Notice to Investors*"). It is the obligation of Noteholders to ensure that their offers and sales of Notes comply with applicable law.

38. **Noteholders may face currency exchange risks or adverse tax consequences by investing in the Notes denominated in currencies other than their individual reference currency**

The Notes will be denominated and payable in U.S. dollars. If a pounds sterling, euro or other non-U.S. dollar investor, an investment in the Notes will entail currency exchange related risks due to, among other factors, possible significant changes in the value of the U.S. dollar to pounds sterling, euro or other relevant currencies because of economic, political or other factors over which the Company has no control. Depreciation of the U.S. dollar against pounds sterling, euro or other relevant currencies could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into the currency by reference to which the return on investment is measured.

There may be tax consequences as a result of any foreign currency exchange gains or losses resulting from investment in the Notes. It is recommended that a tax advisor is consulted concerning the tax consequences of acquiring, holding and disposing of the Notes.

39. **Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time**

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address the Company's and the Issuer's ability to perform their obligations under the Indenture and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of the Company's financings and could adversely affect the value and trading of the Notes.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EU, unless such ratings are issued by a credit rating agency established in the European Union (the "**EU**") and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and

such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the United Kingdom (the "**UK**") are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note that this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment. This may result in relevant regulated investors selling their Notes, which may impact the value of the Notes in the secondary market.

40. Certain covenants may fall away upon the occurrence of a change in the Issuer's ratings

The Indenture will provide that, if at any time following the date of the Indenture, the Notes receive a rating of "**Baa3**" or better by Moody's or a rating of "**BBB**" or better from S&P and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time, if any, at which the Notes cease to have such minimum rating certain covenants will cease to be applicable to the Notes. See and "*Description of Notes - Certain Covenants - Suspension of Covenants when Notes Rated Investment Grade*".

If these covenants were to cease to be applicable, the Company would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. It is possible that the Notes will not achieve an investment grade rating or that any such rating may not be maintained, which could adversely affect the value and trading of the Notes.

41. The Notes and each of the Guarantees will be structurally subordinated to present and future liabilities of the Company's non-guarantor subsidiaries

Not all of the Company's subsidiaries have guaranteed the Notes. Generally, claims of creditors of a non-guarantor subsidiary, including trade creditors and claims of preference shareholders (if any) of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims by holders of the Notes under the Guarantees. In the event of any foreclosure, dissolution, winding-up, liquidation, administration, reorganization or other insolvency or bankruptcy proceeding of any of the Company's non-Guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. As such, the Notes and each Guarantee will each be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of the Company's non-Guarantor subsidiaries. Although the Company's non-Guarantor subsidiaries currently represent none of the Company's revenues, the covenants in the Notes permit the Company to incur additional indebtedness at subsidiaries which do not guarantee the Notes and in the future the revenues and adjusted EBITDA of such entities could increase, possibly substantially.

Subsidiaries that will be Guarantors accounted for 91.2% of the Group's consolidated total assets, 112.5% of the Group's consolidated Adjusted EBITDA and 92.4% of the Group's consolidated revenues, calculated as at and for the twelve months ended December 31, 2020. As at December 31, 2020, as adjusted for the Consensual Restructuring and the application of proceeds therefrom, the Company's non-Guarantor subsidiaries would have had no third-party financial indebtedness. Any of the debt that the Company's non-Guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the Guarantees.

42. **The Issuer may not have the ability to raise the funds necessary to finance a change of control offer if required by the Indenture**

Upon the occurrence of a change of control, as defined in the Indenture, the Issuer will be required to make an offer to purchase the Notes at a price in cash equal to 101% of their aggregate principal amount, plus any accrued and unpaid interest and certain other amounts, to the date of repurchase. Upon a change of control, the Issuer may be required to offer to repurchase or repay the Company's outstanding indebtedness, along with the Notes. The Issuer might not have sufficient resources to repurchase the Notes or repay the Company's other indebtedness, if such debt is required to be repurchased or repaid, upon the occurrence of a change of control. In addition, restrictions in the Company's then-existing contractual obligations, including the Senior Facilities may not allow the Company to make such required repurchases upon the occurrence of certain events constituting a change of control. Third-party financing most likely would be required in order to provide the funds necessary for the Issuer to make the change of control offer for the Notes and to refinance any other indebtedness that would become payable upon the occurrence of such events. The Company may not be able to obtain such additional financing on terms favorable to it or at all. See "*Description of Notes - Repurchase at the Option of Holders - Change of Control*".

The change of control provisions contained in the Indenture may not necessarily afford protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Company that may adversely affect Noteholders, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture. Except as described under "*Description of Notes - Repurchase at the Option of Holders - Change of Control*", the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "change of control" in the Indenture will include a disposition of all or substantially all of the properties or assets of the Company and its subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company and its subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

43. **Enforcing rights as a holder of the Notes or under the Guarantees across multiple jurisdictions may prove difficult or provide less protection than U.S. bankruptcy law and may preclude holders of the Notes from recovering payments due on the Notes**

The Issuer is established under the laws of the United Kingdom and the Guarantors are established under the laws of South Africa, Bermuda, The Netherlands, Jersey, Belgium and the United Kingdom. Future Guarantors may be established under the laws of other jurisdictions. In the event of a bankruptcy, insolvency or similar event with respect to the Company, proceedings could be initiated in any of the following jurisdictions: (i) South Africa, (ii) Bermuda, (iii) The Netherlands, (iv) Jersey, (v) Belgium and (vi) the United Kingdom (or a combination of such jurisdictions) or any, all or any combination of the jurisdictions of future Guarantors. Such jurisdictions may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar, and proceedings in these jurisdictions are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of rights. The rights under the Notes and the Guarantees will be subject to the bankruptcy, insolvency and administrative laws of such jurisdictions and there can be no assurance that Noteholders will be able to effectively enforce their rights in such multiple, complex bankruptcy, insolvency or similar proceedings.

In the event that one or more of the Issuer, the Guarantors and any future Guarantor, if any, or any of the Company's other subsidiaries experiences financial difficulty, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the Guarantors' jurisdictions of organization and location of assets may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether the law of any particular jurisdiction should apply, and may adversely affect the ability to

enforce rights under the Notes and the Guarantees in those jurisdictions or limit any amounts that may be received. See Part 15 "*Service of Process and Enforcement of Civil Liabilities*" with respect to certain of the jurisdictions mentioned above.

44. **There can be no assurance that future changes in taxation (or interpretation of fiscal policies and laws) will not adversely affect holders of Notes or Guarantees**

Fiscal policy and practice is constantly evolving and at present the pace of evolution has been quickened due to a number of developments which include, but are not limited to, the OECD BEPS Project. Fiscal policy and legislation may change and has or will be implemented and such changes may or may not be accompanied by a formal announcement by any fiscal authority or the OECD. As a result, there can be no certainty of the tax treatment of the Notes or the Guarantees generally or in the construction of double taxation treaties, and the operation of the administrative processes surrounding those treaties, which may also be subject to change.

45. **The payment of interest on the Notes without withholding or deduction on account of U.K. tax is reliant on the exemption provided for interest payments in respect of "quoted Eurobonds"**

Under existing U.K. tax law, Notes which are listed on a "recognized stock exchange" (which currently includes Euronext Dublin) and which meet certain other criteria will constitute "quoted Eurobonds" for U.K. tax purposes with the effect that payments of interest on the Notes may be made without withholding or deduction on account of U.K. tax. Were the quoted Eurobond exemption to be restricted or removed by a future U.K. government then payments of interest on the Notes may need to be made under deduction of U.K. income tax at the basic rate, currently 20%, subject to any exemption from or reduction of U.K. tax liability relating to an applicable double taxation treaty or otherwise provided for under U.K. tax law. There can be no assurances as to the continuing or future tax policies of, or treatment of such arrangements by, future governments.

46. **The U.S. federal income tax treatment of the Notes and U.S. federal income tax consequences arising from holding the Notes are not clear and may be materially adverse**

The U.S. federal income tax treatment of the Notes and the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes is not certain. If treated as debt for U.S. federal income tax purposes, the Notes are expected to be treated as issued with original issue discount, which U.S. holders are required to accrue in income prior to the receipt of cash payments. Alternative characterizations are possible, which may result in U.S. federal income tax consequences different from those discussed herein and such consequences may potentially be adverse for U.S. Holders. U.S. Holders are strongly urged to consult their own tax advisers regarding the consequences of acquiring, owning and disposing of the Notes.

Risks Relating to the Collateral Securing the Notes

47. **Enforcement of the Collateral with respect to Notes and the Guarantees will be subject to the consent of the Company's senior lenders**

The Intercreditor Agreement provides that prior to the repayment in full of the Senior Facilities and the Company's other obligations that are secured on a first-priority basis (the "**Senior Discharge Date**"), no creditor or agent (including the Trustee) with respect to the Notes or Guarantees may take enforcement action with respect to the Collateral except with the prior consent of the instructing group comprised of first-priority secured creditors (as defined below under "*Description of Certain Financing Arrangements - Intercreditor Agreement*") or, in certain limited circumstances, the relevant required holders of the Notes. Each holder of a Note, by accepting a Note, will be deemed to have agreed to and be bound by the terms of the Intercreditor Agreement. Prior to the Senior Discharge Date, neither the Trustee nor the holders of the Notes will be able to take any action to enforce the Collateral with respect to the Indenture, the Notes or the Guarantees except in certain limited circumstances. See "*Description of Certain Financing Arrangements - Intercreditor Agreement - Enforcement - Second Lien Enforcement*".

48. **Applicable law and other limitations on the enforceability of the security may adversely affect its validity and enforceability**

The obligations of the Issuer under the Notes and of the Guarantors under the Guarantees will be subject to the restrictions and limitations detailed herein. The Notes and the Indenture will have the benefit of a guarantee from each of the Guarantors and a second-priority guarantee from the Security SPV, the Security SPV having issued a first priority guarantee in favor of the lenders under the Existing Senior Facilities which guarantee will remain in place in favor of the lenders under the Senior Facilities (each such guarantee of the Security SPV a "**Security SPV Guarantee**"). The Issuer and the Guarantors will indemnify the Security SPV in respect of each Security SPV Guarantee pursuant to the "Counter-Indemnity Agreement" which Counter-Indemnity Agreement will be secured by the Collateral. The security may be subject to claims that it should be limited or subordinated in favor of the Company's existing and future creditors under South African or other applicable law. In addition, enforcement of the security will be limited to the extent of the amount which can be secured by the Issuer and the Guarantors without rendering the security voidable or otherwise ineffective under applicable law. Enforcement of the security against the Issuer and the Guarantors will be subject to certain defences available to security providers generally. These laws and defences include those that relate to insolvency, voidable preference, financial assistance, corporate purpose or benefit, the preservation of share capital, thin capitalization and defences affecting the rights of creditors generally.

49. **Governmental approval required for sale of certain Collateral**

Pursuant to section 11 of the MPRDA, the approval of the South African Minister of Mineral Resources and Energy is required for the granting of a security interest in mining rights unless such security interest is granted in favor of a bank (and certain related registration requirements are met). Any disposal of the mining rights by FirstRand Bank pursuant to it exercising its rights under the mortgage bonds, in the event of a default by any borrower under the Senior Facilities or the Issuer under the Notes, will accordingly require the approval of the Minister of Mineral Resources in terms of section 11 of the MPRDA to dispose of the mining rights (the approval of the Minister of Mineral Resources and Energy was not required in respect of the grant of such security).

50. **The value of the Collateral securing the Notes may not be sufficient to satisfy the obligations under the Notes**

The lenders under the Senior Facilities and the BEE Lenders will have the benefit of first priority security interests in the Collateral and a first-priority Security SPV Guarantee. The Notes and the Indenture will have the benefit of a second-priority security interests in the Collateral and a second-priority Security SPV Guarantee. The Issuer and the Guarantors will indemnify the Security SPV in respect of the Security SPV Guarantees pursuant to the Counter-Indemnity Agreement and have, pursuant to such Counter-Indemnity Agreement, created liens over the Collateral. Both the first-priority and the second-priority Security SPV Guarantee will benefit from the liens created by the Issuer and the Guarantors under the Collateral Documents. The Notes and the Guarantees will thus effectively be secured by the Collateral on a second ranking basis, subject to liens expressly permitted to be incurred or exist on the Collateral under the Indenture on the same assets that secure borrowings under the Senior Facilities on a first-priority basis, subject to certain exceptions described in the Indenture and the Security Documents. The Collateral may also secure additional indebtedness to the extent permitted by the Indenture. To the extent that other security interests, pre-existing liens, liens permitted under the Indenture and other rights encumber the Collateral securing the Notes, those parties may have or may exercise rights and remedies with respect to the Collateral that could adversely affect the value of the security and the ability of the Security SPV to realize or foreclose on the security. No appraisal of the value of the Collateral has been made, and the fair market value of the Collateral may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, some of the assets that comprise the Collateral are illiquid and/or may have no readily ascertainable market value and its value to other parties may be less than its value to the Company. In addition, the value of the Collateral may decrease because of obsolescence, impairment or certain casualty events. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the Collateral may not be sold in a timely or orderly manner, and the proceeds from any sale or liquidation of this Collateral may not be sufficient to repay the obligations under the Senior Facilities

and the Notes. Lenders under the Senior Facilities, certain hedge counterparties and the holders of certain debt the Company may incur in the future will receive priority to the proceeds from an enforcement, which may limit the proceeds available to satisfy obligations under the Notes. See "*Description of Certain Financing Arrangements - Intercreditor Agreement*".

The Collateral will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral as well as the ability of the Security SPV to realize or foreclose on such security.

The security interests of the Security SPV will be subject to practical problems generally associated with the realization of security interests over real or personal property such as the Collateral. For example, the Security SPV may need to obtain the consent of a third party such as, with respect to mining rights, the DMR to enforce a security interest. The Security SPV may be unable to obtain any such consents or confirmation that such consents will be given when required. Accordingly, the Security SPV may not have the ability to foreclose upon security and the value of the security may significantly decrease.

Certain of the Company's material contracts terminate or may be terminated by the counterparties thereto upon the occurrence of certain insolvency events. If such an insolvency event occurs, the Company would lose its rights under those contracts, which represent a material percentage of the Company's expected revenue. As a consequence, the alternative methods available to the holders of the Notes for enforcing the security interests in the Collateral in certain of the Company's material contracts may be limited.

51. The security interests in the Collateral may be subject to hardening periods that have not yet finished for such security interests in accordance with the law applicable in certain jurisdictions

When granted, the security interests given under the Collateral were subject to hardening periods in certain jurisdictions. The applicable hardening period for these security interests runs as from the moment each security interest was granted, perfected or recreated. At each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it.

52. The security over the Collateral will not be granted directly to the holders of the Notes

Due to South African law governing the creation and perfection of security interests, the security interests in the Collateral that will secure the Company's obligations under the Notes and the obligations of the Guarantors under the Guarantees will not be granted directly to the holders of the Notes, but will be granted only in favor of a special purpose vehicle, the Security SPV, on an equal and rateable basis for the benefit of the Trustee for the Notes, the lenders under the Company's Senior Facilities, the BEE Lenders and certain hedge counterparties. The Security SPV will then provide first-priority Security SPV Guarantees to the lenders under the Senior Facilities and certain hedge counterparties and a second-priority Security SPV Guarantee to the Trustee for the benefit of the holders of the Notes and the Issuer and the Guarantors will indemnify the Security SPV in respect of such Security SPV Guarantees, which indemnity will be secured by the Collateral.

The rights against the Collateral will not therefore be granted directly to the holders of the Notes or directly in favor of the Trustee. As a consequence, neither the holders of the Notes nor the Trustee will have direct security or will be entitled to take enforcement action in respect of the security for the Notes and the Guarantors' guarantee of the Notes, except through the Security SPV.

The Trustee for the Notes will accede to the Intercreditor Agreement to which, among others, the Security SPV and representatives of holders of the other indebtedness secured by the Collateral, including the lenders under the Senior Facilities the BEE Lenders and counterparties to certain hedging obligations are parties. Other creditors may become parties to the Intercreditor Agreement in the future. Among other things, the Intercreditor Agreement governs the enforcement of the security documents, the sharing in any recoveries from such enforcement and the release of the Collateral by the Security SPV. As a consequence, holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Security SPV, who will follow instructions as set forth under the caption "*Description of Certain Financing Arrangements - Intercreditor Agreement - Distressed Disposals*". In addition, lenders under the Senior Facilities, the BEE Lenders, certain hedge counterparties and the holders of certain debt the Company

may incur in the future will have the right to receive the proceeds of enforcement of the Collateral before the holders of the Notes.

53. The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes

The Collateral will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. So long as no default or event of default under the Indenture governing the Notes would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security SPV, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of Collateral and making ordinary course cash payments, including repayments of indebtedness.

54. The Collateral is subject to casualty risks

The Company intends to continue to maintain insurance or otherwise insure against hazards in the manner described in this Prospectus. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate the Company fully for the Company's losses. If there is a complete or partial loss of any of the Collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the Notes and the Guarantees. In addition, even if there is sufficient insurance coverage, if there is a total or partial loss of certain Collateral, there may be significant delays in obtaining replacement Collateral.

55. Rights in the Collateral may be adversely affected by the failure to perfect security interests therein

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor, as applicable, of the security. The liens over the Collateral may not be perfected with respect to the Notes, if the Company or the Security SPV fail or are unable to take the actions necessary to perfect any of these liens. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified. Also, to the extent that any of the Collateral has not been stamped in accordance with applicable stamp duty regulations, it may not be enforceable unless and until such regulations are satisfied.

The Security SPV may not monitor, or the Company may not comply with its obligations to inform the Security SPV of, any future acquisition of property and rights by the Company, and the necessary action may not be taken to properly perfect the security interest in such after-acquired property or rights. Such failure may result in the invalidity of the security interest in the Collateral or adversely affect the priority of the security interest in favor of holders of the Notes against third parties. The Security SPV has no obligation to monitor the acquisition of additional property or rights by the Company or the perfection of any security interest.

In addition, certain collateral will not be in place as of the Issue Date and the Company may not be required to grant security over certain assets in favor of the holders of the Notes. See "*Description of the Notes - Security*".

56. Under the Intercreditor Agreement, the holders of the Notes have limited ability to enforce the transaction security and have agreed that the Collateral and Guarantees may be released in certain circumstances without their consent

The Trustee in its capacity as trustee for the holders of the Notes will accede to the Intercreditor Agreement to which, among others, the Security SPV and representatives of the holders of other debt secured by the Collateral, including the administrative agent for the Senior Facilities (the "**Senior Agent**") and counterparties to certain hedging arrangements are parties. Other creditors may become parties to the Intercreditor Agreement in the future. Each holder of a Note, by accepting a Note, will be deemed to have agreed to and be bound by the terms of the Intercreditor Agreement. Among other things, the Intercreditor Agreement

governs the enforcement of the security documents, the sharing in any recoveries from such enforcement and the release of the Collateral by the Security SPV. The Intercreditor Agreement provides that the Security SPV shall act upon the instructions of the Instructing Group, which will be determined in accordance with the terms and conditions of the Intercreditor Agreement. Prior to the Senior Discharge Date, neither the Trustee nor the holders of the Notes will be able to take any action to enforce the Collateral with respect to the Indenture, the Notes or the Guarantees except in certain limited circumstances. These arrangements could be disadvantageous to the holders of the Notes in a number of respects and may permit the lenders under the Senior Facilities to control enforcement in circumstances in which their interests are different than those of the holders of the Notes.

If the creditors or the Security SPV sell the shares of any Guarantor that is a subsidiary of the Company pursuant to an enforcement action in accordance with the Intercreditor Agreement, the Guarantee of any such Guarantor (and any Guarantor that is a subsidiary of such Guarantor) and the liens over Collateral consisting of the shares of such Guarantor and its assets (and the assets of any of its subsidiaries) will automatically release provided that the disposal in question:

- is effected either (i) pursuant to a competitive process or (ii) where an internationally recognized investment bank or international accountancy firm (or, in the case of a sale process relating to assets located in South Africa, a reputable and independent South African investment bank or firm of accountants) selected by the Security SPV acting reasonably has delivered to the creditor representatives an opinion that the disposal price of the relevant share capital or assets is fair from a financial point of view after taking into account all relevant circumstances; and

- is for cash (or substantially all cash);

unless any borrowing and guarantor liabilities owed to the creditors by any of the Company or its subsidiaries whose shares are being disposed of and from any such subsidiary of the Company or its subsidiaries and any transaction security in respect of any assets that are being disposed of are also being released.

See "*Description of Certain Financing Arrangements - Intercreditor Agreement - Distressed Disposals*".

Upon any release of a Guarantee by a Guarantor in connection with an enforcement sale as described above, the creditors of such Guarantor would be entitled to be paid in full before any payment may be made to the holders of the equity of such Guarantor. As a result, the holders of the Notes will be effectively subordinated to the liabilities of each Guarantor to the extent the Guarantee of such Guarantor is released. In addition, the Collateral available to secure the Notes could be reduced in connection with the sales of assets or otherwise, subject to the requirements of the financing documents and the Indenture.

57. The grant of Collateral to secure the Notes might be challenged or voidable in an insolvency proceeding

The grant of Collateral in favor of the Security SPV may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given or an insolvency proceeding in respect of the grantor is commenced within a legally specified "clawback" period following the grant.

In connection with the incurrence of future indebtedness that is permitted to share in the Collateral and in certain other circumstances, the Issuer will be permitted to amend, restate, modify, replace or release and retake the liens on the Collateral. The granting of new security interests may in certain jurisdictions create hardening periods for security interests previously provided to secure the Notes. The applicable hardening period for these new security interests will run as from the moment each new security interest has been granted, perfected or recreated. At each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it. If the grantor of such security interest was to become subject to a bankruptcy or winding up proceeding after the Issue Date, any mortgage or security interest in Collateral delivered after the Issue Date would face a greater risk than security interests in place on the Issue Date of being avoided by the grantor or by its trustee, receiver, liquidator, administrator or similar authority,

or otherwise set aside by a court, as a preference under insolvency law. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the security interest. See Part 14 "*Certain Insolvency Law Considerations and Certain Limitations on Guarantees*".

58. **There may not be sufficient collateral to pay all or any portion of the Notes and the Collateral securing the Notes may be reduced or released under certain circumstances. The Collateral securing the Notes is subject to first-priority claims under the Senior Facilities**

The value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the Collateral. By its nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. The value of the assets pledged as Collateral for the Notes could be impaired in the future as a result of changing economic conditions, competition or other future trends. Also, there can be no assurance that the fair market value of the Collateral securing such Notes would be sufficient to pay any amounts due under the Notes following their acceleration. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, there can be no assurance that the Collateral will be sold in a timely and orderly manner and that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the Company's obligations under the Senior Facilities, the Notes and other *pari passu* indebtedness the Company may incur in the future.

The Notes will not be repaid from the proceeds of Collateral following a default until the Senior Facilities and the Company's other obligations that are secured on a first-priority basis are repaid in full. If the proceeds of any sale of Collateral allocable to the Notes are not sufficient to repay all amounts due on such Notes, the holders of such Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Company's remaining assets. Any claim for the difference between the amount, if any, realized by holders of the Notes from the sale of the Collateral securing such Notes and the obligations under such Notes will rank equally in right of payment with all of the Company's other unsecured unsubordinated indebtedness and other obligations, including trade payables.

59. **The Intercreditor Agreement in connection with the Indenture governing the Notes will limit the rights of Noteholders and their control with respect to the Collateral securing the Notes**

The rights of the holders of the Notes with respect to the Collateral securing such Notes will be substantially limited pursuant to the terms of the Intercreditor Agreement. Under the Intercreditor Agreement, at any time that obligations that have the benefit of the first-priority liens are outstanding, any actions that may be taken in respect of the Collateral, including the ability to cause the commencement of enforcement proceedings against the Collateral and to control the conduct of such proceedings, and the approval of amendments to and waivers of past default under, the Collateral documents, will be at the direction of the creditors under the Senior Facilities and holders of any other obligations secured by first-priority liens in the Collateral. As a result, the Trustee will not have the ability to control or direct such actions, even if the rights of the holders of the Notes are adversely affected. Additionally, releases of Collateral from the liens securing the Notes on a second-ranking basis are permitted under some circumstances without the consent of the holders of the Notes.

60. **Risks relating to providing consolidated accounts only**

The Issuer has requested that the CBI grant a derogation from the requirement under Items 11.1 and 11.2 of Annex 6 and Section 3 of Annex 21 to the Commission Delegated Regulation (EU) 2019/80 supplementing the EU Prospectus Regulation, to include in this Prospectus separate audited historical financial information covering the latest two financial years and the audit report in respect of each year of each of the Subsidiary Guarantors (as defined below) as if they were the issuer of the Notes. The derogation was sought by the Issuer in accordance with Article 18(1)(c) of the EU Prospectus Regulation, which provides that the competent authority may authorise the omission from the prospectus, of certain information to be included therein, where it considers that such information is of minor importance in relation to a specific offer or admission to trading on a regulated market and would not influence the assessment of the financial position and prospects of the guarantor. The CBI has granted such derogation.

Each of the Guarantors (other than the Company) is a wholly-owned or majority owned, direct or indirect, subsidiary of the Company (each such subsidiary guarantor, a "**Subsidiary Guarantor**"). The guarantees given by the Subsidiary Guarantors are full and unconditional guarantees of the Issuer's obligations under the

Notes (subject to the contractual limitations set out under the Indenture) and are given on a joint and several basis. The accounts of the Subsidiary Guarantors have been included in the audited consolidated financial statements of the Group (along with the accounts of the non-Guarantors) for the financial years ended June 30, 2020 and June 30, 2019 respectively and the half-year ended December 31, 2020, which are incorporated by reference herein, and have not been presented separately herein. However the consolidated financial statements of the Group may be of limited use in assessing the financial position of the Subsidiary Guarantors.

PART 3: CONSENSUAL RESTRUCTURING

1. Overview of the Consensual Restructuring

On October 20, 2020, following an extensive period of engagement and negotiation with stakeholders and undertaking a strategic review (incorporating a formal sales process), the Company announced its intention to implement a long term restructuring, as agreed between the Group and its key stakeholders (the "**Consensual Restructuring**").

2. Objectives of the Consensual Restructuring

2.1 The primary objectives of the Consensual Restructuring were to:

a) achieve extensive deleveraging of the Group to ensure a stable Group capital structure which will result in:

   i) a stronger balance sheet position;

   ii) a more appropriate level of annual debt service obligations;

   iii) extended debt maturity date(s); and

   iv) a covenant package consistent with the Group's financial forecasts;

b) improve the ongoing liquidity position of the Group;

c) enable the Group to direct its cash resources towards servicing the Group's general corporate and working capital requirements and necessary capital expenditures;

d) obtain new capital in order to enable the Group to finance its debt capital and ongoing expenses and to help facilitate operational performance at the mines;

e) allow the Group to continue to service its customers, supply the global market, pay its suppliers and support its employees;

f) mitigate the risk and avoid the adverse consequences of any form of insolvency filing by any Group entity. Any such insolvency filing would prove value-destructive to the operating businesses within the Group; and

g) provide the Scheme Creditors that were Existing High Yield Noteholders with the opportunity to benefit from any future potential upside for the operating companies as a result of receiving New Ordinary Shares in the Company.

2.2 In addition the wider advantages of the Consensual Restructuring were:

a) the Scheme of Arrangement conferred on the Company and the Guarantors, among others, the benefit of a release of their Liabilities in connection with the Existing High Yield Notes Debt that were exchanged for equity, other than to the extent that such Liabilities were exchanged for liabilities in respect of the new series of the Notes; and

b) the Scheme of Arrangement conferred broad releases for the benefit of the Released Parties in connection with the Restructuring as contemplated by the Lock-Up Agreement.

2.3 Key features of the Consensual Restructuring

On October 20, 2020, the Company agreed the terms of the Consensual Restructuring, which were subsequently effected on March 10, 2021. The key elements of the Consensual Restructuring are as follows:

a) the Debt for Equity Conversion (as detailed further in paragraph 3(a) of this Part 3 ("*Consensual Restructuring*"));

b) a reduction in capital to reduce the nominal value of the Ordinary Shares (the **"Capital Reduction"**) (as further detailed in paragraph 3(b) of this Part 3 ("*Consensual Restructuring*");

c) the reinstatement of a certain portion of each Noteholder's Existing High Yield Notes Debt as Notes (as detailed further in paragraph 3(c) of this Part 3 ("*Consensual Restructuring*"));

d) the amendment of the First Lien Facilities (as detailed further in paragraph 3(d) of this Part 3 ("*Consensual Restructuring*");

e) amendments to the Group's BEE arrangements;

f) the amendment of the corporate governance arrangements of the Group (as detailed further in paragraph 3(3) of this Part 3 ("*Consensual Restructuring*"); and

g) the amendment of the existing management incentive arrangements as detailed further in paragraph 3(f) of this Part 3 ("*Consensual Restructuring*").

3. **Key Terms of the Consensual Restructuring**

a) The Debt for Equity Conversion

The Existing High Yield Noteholders have subscribed for 8,844,657,929 New Ordinary Shares in the Company pursuant to the Debt for Equity Conversion. New Ordinary Shares issued to the Noteholders pursuant to the Debt for Equity Conversion were subscribed for in consideration for the assignment by the Noteholders to the Company of approximately US$409.9 million of the Existing High Yield Notes Debt. The New Ordinary Shares issued pursuant to the Debt for Equity Conversion account for approximately 91 per cent of the enlarged share capital of the Company.

b) The Capital Reduction

Due to the calculations required to establish each applicable conversion price pursuant to the Debt for Equity Conversion, each conversion price per New Ordinary Share would have been lower than the then nominal value of the Ordinary Shares. The issue of the New Ordinary Shares at each applicable conversion price pursuant to the Debt for Equity Conversion would therefore have resulted in the New Ordinary Shares being issued as partly paid. As such, under Bermuda law, the Company would have had a right to call on the Shareholder of the New Ordinary Shares to pay up the difference between the conversion price and the nominal value.

The Company therefore undertook the Capital Reduction by reducing the nominal value of the Existing Ordinary Shares by 9.999 pence per Existing Ordinary Share so that the nominal value of each Existing Ordinary Share became 0.001 pence following the Capital Reduction. Where capital was reduced in respect of Existing Ordinary Shares for which the nominal value was fully paid up prior to the Capital Reduction, the amount of this reduction was credited to a reserve account. The Capital Reduction did not involve any distribution or repayment of capital or share premium by the Company and did not reduce the underlying assets of the Company

c) The Notes

The Scheme of Arrangement effected the cancelation and assignment of the Existing High Yield Notes Debt of each Scheme Creditor in exchange for the Debt for Equity Conversion and the partial reinstatement of the Existing High Yield Notes Debt by virtue of the issue to each Noteholder of Notes in such proportions as determined as set out below.

The key features of the Notes, as they differ from the Existing High Yield Notes of this document (and as documented in the Indenture and described in more detail in "*Part 8: Description of the Notes*"), are as follows:

(a) *Principal amount:* US$336,656,000 million;

(b) *Guarantors:* In addition to the existing Guarantors, Petra Diamonds UK Services Limited acceded as a guarantor of the Notes. Petra Diamonds Jersey Treasury Limited and Petra Diamonds Netherlands Treasury B.V. are to be released as guarantor parties upon or immediately prior to the commencement of their winding-up or dissolution as part of the Group's planned treasury restructuring;

(c) *Ranking:* Same as the Existing High Yield Notes, subject to the revised cash flow waterfall and initial PIK nature of the coupons;

(d) *Maturity date:* Five years from the Restructuring Effective Date, which reflects an extension from the existing maturity date (May 2022);

(e) *Interest:* Interest is payable semi-annually in arrear during the term of the Notes. The Notes will accrue PIK interest at 10.50% (per annum) from the Issue Date until December 31, 2022. From January 1, 2023 until June 30, 2023, PIK interest will accrue at a rate of 10.50% (per annum) on 37.7778% of the aggregate principal amount of the Notes and cash-pay interest will accrue at a rate of 9.75% (per annum) on 62.2222% of the aggregate principal amount of the Notes. Thereafter, interest will be cash-pay at 9.75% (per annum) subject to the limitations described in paragraph (k) below;

(f) *Minimum liquidity covenant:* the Indenture requires the minimum liquidity of the Company, the Issuer and the Guarantors (based on a rolling 13-week forecast) to exceed US$20.0 million at all times, including cash and cash equivalents (other than restricted cash) held by the Company, the Issuer and the Guarantors and available amounts under the New RCF;

(g) *Non-call protection:* the Indenture contains two-year non-call protection (with a customary make-whole obligation) and a coupon step-down profile thereafter at 104.88%, 102.44%, then par (but excluding any prepayments or redemptions);

(h) *Restrictive covenants:* the Indenture contains further restrictive covenants and a tightening of existing covenants (including, among other things, further restrictions against paying dividends and making other distributions to Shareholders, making acquisitions and investments, the use of disposal proceeds as well as restrictions on value transfers to Williamson Diamonds Limited) and a tightening of existing covenants relative to the Existing High Yield Notes Indenture, including capped baskets of first lien debt and prohibitions on other pari passu or junior unsecured debt being incurred (the latter subject to ordinary course exceptions);

(i) *Security:* the Notes retain substantially the same second ranking security package as the Existing High Yield Notes, including guarantees from the majority of the Group members (including all of the South African Mine-Owning Entities). The security package will have the benefit of certain agreed enhancements (including security to be granted by Petra Diamonds UK Services Limited). Williamson Diamonds Limited will remain a ring-fenced asset outside of the security package for the Notes and the First Lien Facilities;

(j) *Pre-enforcement cash flow waterfall:* a pre-enforcement cash flow and account waterfall bind the Group, which covers all cash flows in, out and within the Group in order to: (i) achieve transparent and orderly cash flow management in the ordinary course; (ii) ensure that all receipts of the Group are paid into secured accounts and applied in accordance with the agreed waterfall; (iii) record and implement the agreed priority of ordinary course payments as between the Group and its stakeholders; and (iv) minimize leakage outside of the Noteholder security package;

(k) *Intercreditor arrangements:* the intercreditor arrangements (as set out in the Intercreditor Agreement) between, among others, the Noteholders and the First Lien Lenders reflect the second-ranking guarantees and security of the Notes. The guarantees of the Notes are subject to customary subordination provisions, restrictions on enforcement and other restrictions set out in full in the Intercreditor Agreement. The intercreditor arrangements reference a requirement in the New Bank Facilities that payment of the cash-pay coupon on the Notes falling due in June 2023 and on each coupon payment date occurring thereafter is subject to the following "Coupon Payment Conditions" being met by the Group:

(i) the Senior DSCR (as defined below) is equal to or more than at least 1.3x (calculated on a pro forma basis);

(ii) the amount outstanding under the New RCF must not be more than ZAR400 million (as reduced over time through amortization in accordance with the terms of the New RCF) immediately prior to the coupon payment and for a period of two (2) weeks thereafter; and

(iii) the Company has provided evidence satisfactory to the First Lien Agent that its unrestricted cash balance post payment of the coupon payment would be in excess of US$20 million.

If the Coupon Payment Conditions are not met and the Issuer cannot pay the cash-pay interest payment, it will be in default under the Indenture.

(l) *Events of default:* the events of default under the Notes are substantially the same as under the Existing High Yield Notes, as amended to take into account the new covenants relating to the Notes;

(m) *Clearing and transfers:* the Notes are held in Euroclear and Clearstream;

(n) *Rating:* the Issuer is to use its commercially reasonable efforts to obtain a rating of the Notes by Moody's or S&P within six months of the Restructuring Effective Date and to maintain a rating for the Notes by Moody's or S&P so long as the Notes are outstanding; and

(o) *Minimum denominations:* the Notes are issued in minimum denominations of not less than US$1,000 and in integral multiples of US$1.00 in excess thereof.

(p) *Allocation*: The Notes were allocated as follows:

i. US$30.0 million (reflecting the New Money) allocated only to those Existing High Yield Noteholders that contributed New Money, pro rata to their New Money contribution;

ii. US$150.0 million allocated only to those Existing High Yield Noteholders that contributed New Money, pro rata to each holder’s aggregate contribution to the New Money (reflecting a ratio of 5.0:1);

iii. US$145.0 million allocated to all Existing High Yield Noteholders, pro rata to their holdings of Existing High Yield Notes at the close of the Consensual Restructuring; and

iv. a further amount of Notes as consideration to certain Existing High Yield Noteholders, including the AHG, for their support and efforts expended in connection with the Consensual Restructuring. The quantum of Notes issued for this purpose was approximately US$12.0 million.

The Indenture continues to be governed by New York law.

The total amount of Existing High Yield Notes Debt that has been equitized was US$409.9 million as at the Restructuring Effective Date.

Pursuant to the Consensual Restructuring, the Noteholders were entitled to receive their entitlement to the Notes and the New Ordinary Shares (the "**Noteholder Entitlements**").

If, on the Restructuring Effective Date, any Noteholder Entitlements were not issued to an Existing High Yield Noteholder or its Designated Recipient(s) (as applicable) because such Noteholder or its Designated Recipient (i) was a Disqualified Person; (ii) did not deliver to the Information Agent a valid Account Holder Letter by the Voting Instruction Deadline; or (iii) nominated the Holding Period Trustee as its Designated Recipient, (together, the "**Unadmitted Entitlements**"), the Unadmitted Entitlements were, in each case, issued on the Restructuring Effective Date to the Holding Period Trustee, who will hold such Unadmitted Entitlements on trust for, and for the benefit of, the relevant Noteholder for the Holding Period, in accordance with the terms of the Holding Period Trust Deed (the "**Trust Property**").

If any Trust Property has not been validly claimed by a Noteholder or its Designated Recipient (as applicable) by the Holding Period Expiry Date, the Trust Property will be:

i) sold on the Open Market, with the proceeds of such sale (net any taxes, withholding deduction, commissions, other fees or other costs or any other expenses) being transferred to the Company; or

ii) in the event that such a sale is not possible, transferred:

(A) in the case of entitlements to the New Ordinary Shares, to the Company; or

(B) in the case of entitlements to the Notes, to the Issuer.

d) Amendment of First Lien Facilities

The Company agreed with the First Lien Lenders to further amend the First Lien Facilities as set out below:

i) *New Term Loan:* The Existing WCF Lenders and the Existing BEE Facility Lenders have agreed to provide the Group the New Term Loan on the following key terms:

(A) Amount: ZAR1,200,483,189,94 (which has been fully drawn as at the Restructuring Effective Date);

(B) Purpose: to settle the drawn Existing WCF and the Existing BEE Facilities;

(C) Maturity: March 9, 2024; and

(D) Pricing: Interest rate of JIBAR + 5.25 per cent per annum with an upfront fee of 1% of the amount of the New Term Loan (the latter being capitalised);

ii) *New RCF:* The Existing RCF Lenders have agreed to provide the Group the New RCF on the following key terms:

(A) Amount: ZAR560,000,000 (of which ZAR400 million has been drawn as at the Restructuring Effective Date, rolled over from the Existing RCF);

(B) Purpose: for working capital purposes and to settle the drawn Existing RCF;

(C) Maturity: March 9, 2024;

(D) Pricing: Interest rate of JIBAR + 5.25 per cent per annum with an upfront fee of 1% of the amount of the New RCF (the latter to be capitalised); and

(E) Commitment fee: Commitment fee on any undrawn commitments under the New RCF of 2.1% per annum.

iii) *Ancillary facilities*: The First Lien Lenders have agreed to continue to make available the ancillary facilities including guarantee lines and soft lines to the Group, which (as at the date of this Prospectus) consist of:

(A) ZAR32.0 million guarantee line; and

(B) ZAR1,045.0 million soft lines which will comprise:

(1) ZAR100.0 million electronic transfer line;

(2) ZAR345.0 million currency transfer line; and

(3) ZAR600.0 million daylight intraday settlement line,

each consistent with pre-May 2020 amendment levels and the operational requirements of the Group going forward; and

(C) Hedging*:* The First Lien Lenders have agreed hedging lines of up to ZAR150.0 million of aggregate potential future exposures to hedge against the Group's foreign currency exchange risks. The terms of the Group's existing hedging arrangements have been amended to have maturities staggered over the year following the Restructuring Effective Date.

The New Term Loan will amortise in quarterly instalments and the commitments under the New RCF will reduce on a quarterly basis for the term of the facilities. The above described arrangements with the First Lien Lenders (the "**New Bank Facilities**") will include a new debt service cover ratio covenant (being the ratio of cash flow to the debt service on the New Bank Facilities); the debt service cover ratio must be above 1.3x on each test date until the maturity of the New Bank Facilities (the "**Senior DSCR**"). The Group will also be required to maintain at all times a minimum actual and forecasted liquidity of US$20 million where liquidity constitutes available amounts under the New Term Loan, the New RCF and each working capital overdraft facility made available under an Ancillary Facility as well as cash and cash equivalents ("**Liquidity Covenant**"). A breach of the Senior DSCR or the Liquidity Covenant will result in an event of default under the New Bank Facilities.

The First Lien Lenders remain senior in priority to the Noteholders, and the security arrangements will remain substantially the same, subject to certain agreed enhancements (including security to be granted by Petra Diamonds UK Services Limited). The New Bank Facilities remain governed by South African law, with local law applying for the security documentation.

e) Governance arrangements

Pursuant to the Consensual Restructuring, it was agreed that certain individual Noteholders, in their capacity as Shareholders, who individually hold at least five per cent of the total number of Ordinary Shares in issue at the Restructuring Effective Date (the "**Qualifying Noteholders**"), were entitled to nominate persons for appointment to the Board as a non-independent, Non-Executive Director of the Company and appoint observers to the Board (such person not have voting rights at Board meetings) (collectively, "**Nomination Rights**").

All persons appointed as Directors pursuant to the exercise of Nomination Rights are subject to retirement and election or re-election at subsequent annual general meetings of the Company along with all other Directors, in the ordinary course.

f) Management incentivisation

New management incentive arrangements have been included to incentivise and reward business performance and to achieve or exceed targets set by the Board, including targets relating to cash generation, leverage and performance against the Company's business plan.

4. **Implementation of the Consensual Restructuring**

The Consensual Restructuring was implemented as follows:

a) the sanctioning by the court of the Scheme of Arrangement on January 12, 2021 in order to give the Company the authority to implement the Consensual Restructuring;

b) the Shareholders voted on the Resolution in respect of the New Ordinary Shares on January 13, 2021, which allowed for the Debt for Equity Conversion;

c) the exchange of the Existing High Yield Notes for the issue of the New Ordinary Shares and the Notes;

d) the Chapter 15 Recognition was granted at the Chapter 15 Hearing that took place on January 14, 2021; and

e) the First Lien Facilities were further amended on a consensual basis between the Company (and its relevant Subsidiaries), the BEE Partners (as applicable) and the First Lien Lenders in order to effect the New Bank Facilities.

5. Recognition of the Scheme of Arrangement under Chapter 15

The Issuer filed a petition in the United States for Chapter 15 Recognition, being an order for recognition of the Scheme of Arrangement under Chapter 15 of the U.S. Bankruptcy Code, which provides for the recognition of foreign insolvency proceedings in the United States. An order from the U.S. Bankruptcy Court granting Chapter 15 Recognition was a condition to the implementation of the Consensual Restructuring and the Scheme of Arrangement.

Chapter 15 Recognition was necessary to give effect in the United States to the Scheme of Arrangement and, among other things, ensured that all of the Scheme Creditors affected by the Scheme of Arrangement were treated consistently, regardless of whether they were located in the UK or the United States.

Chapter 15 Recognition was granted at the Chapter 15 hearing that took place on January 14, 2021.

PART 4: DESCRIPTION OF THE ISSUER

Incorporation and Status

The Issuer is a public limited company incorporated under the laws of England and Wales with registered number 9518557 on March 31, 2015 under the Companies Act 2006. The LEI of the Issuer is 635400LZYOO6WHAO2H58.

The registered address of the Issuer is Suite 31 Second Floor, 107 Cheapside, London, EC2V 6DN. The website of the Group is https://www.petradiamonds.com/. The Issuer does not have a separate website.

Principal Activities of the Issuer

The Issuer was incorporated for the purpose of raising capital in the global debt markets. The proceeds from the capital raising are used to provide funding for capital expenditure, pay down bank debt and for strategic corporate expenditure within the Group.

Objects and Purpose

The Issuer was incorporated for the purpose of raising capital to provide funding for capital expenditure within the Group. The articles of association of the Issuer do not restrict the objects and/or purpose of the Issuer and therefore under section 31 of the Companies Act 2006, the Issuer has unrestricted objects.

Directors

The directors of the Issuer and their other principal activities outside the Issuer are:

Name	Current partnerships	Past partnerships / directorships
Jacques Breytenbach	N/A	P-Air Air Conditioning & Refrigeration (Pty) Ltd Scribarex Investments (Pty) Ltd
Richard Duffy	Africa Energy Management Platform Aren Energy (Pty) Ltd	N/A
Matt Glowasky	Aspenframe Limited Butterfly (Finance) Limited Butterfly Group Healthcare Limited Cedarhurst Lodge (Spring) Limited Crossco (1332) Limited Crossco (1333) Limited Crossco (1334) Limited Eagle View Care Home Limited Edgewater Lodge (Spring) Limited Executive Health Care Limited Express Care (Guest Services) Limited Express Care Limited Hillcrest Care Homes Limited Hollyblue (Finance 2) Limited Hollyblue Healthcare (Alphacare) Limited Hollyblue Healthcare (Amore) Limited Hollyblue Healthcare (Arden) Limited Hollyblue Healthcare (Carrick Glen) Limited Hollyblue Healthcare (Finance) Limited	52 Conduit 2 Limited Amicura Chorley Limited Amicura Haslingden Limited Butterfly Cumbria Properties Limited Chorley Lodge Limited ECG Domicillary Care Limited ECG Guest Services Limited Executive Care Developments Limited Latécoère S.A. Haslingden Hall and Lodge Limited Hollyblue Healthcare (Countrywide) Limited Quarter Care Limited Regency Guest Services Limited Stirling Guest Services Limited

Hollyblue Healthcare (Gisburne Park) Limited
Hollyblue Healthcare (London) Limited
Hollyblue Healthcare (Millbrow) Limited
Hollyblue Healthcare (Norton Lees) Limited
Hollyblue Healthcare (Red Hill) Limited
Hollyblue Healthcare (Spring) Limited
Hollyblue Healthcare (St. Georges) Limited
Hollyblue Healthcare (Stirling) Limited
Hollyblue Healthcare (Ulster) Limited
Hollyblue Healthcare (Voyage Care) Limited
Mariposa Care Limited
Monarch Alternative Capital (Europe) Ltd
Northwind Leisure Limited
Norton Lees Hall and Lodge Limited
Papillon Care Limited
Primrose Care Home Limited
Richmond Heights (Spring) Limited
Saintfield Lodge (Spring) Limited
Salco Homes Limited
Sovereign Care Homes Limited
Sovereign Guest Services Limited
Stanshawes Care Home Limited
Stanton Lodge Limited
St Georges Hall and Lodge Limited
System Cycle Limited
Willoughby Grange Limited
Windmill Hills Care Home Limited
World Trade Properties Limited

The business address of the directors of the Issuer is Suite 31 Second Floor, 107 Cheapside, London, EC2V 6DN.

The secretary of the Issuer is St James's Corporate Services Limited.

There are no potential conflicts of interest between any duties to the Issuer of the directors of the Issuer and their private interests and/or duties except as described below.

As at December 31, 2020, the directors have the following direct or beneficial interests in the Group:

(a) the Directors hold and will hold directly or beneficially as at December 31, 2020 the following number of Ordinary Shares in the capital of the Company:

Director	**Ordinary Shares held prior to Company Share Issue**	**Current % of issued Ordinary Share capital as at November 30, 2020**	**Ordinary Shares held after Company Share Issue**	**% of issued Ordinary Share capital after Company Share Issue**
Richard Duffy	240,000	0.03%	240,000	0.003%

Director	Ordinary Shares held prior to Company Share Issue	Current % of issued Ordinary Share capital as at November 30, 2020	Ordinary Shares held after Company Share Issue	% of issued Ordinary Share capital after Company Share Issue
Jacques Breytenbach	243,750	0.03%	243,750	0.003%

(b) the Directors have been granted the following awards to acquire Ordinary Shares pursuant to the Company's performance share plan and/or employee share option plan, which remain outstanding:

	Ordinary Shares		Options
Breakdown of adjusted share plan interests as at 18 December 2020	**Unvested and subject to performance**	**Unvested and not subject to performance**	**Vested but not exercised**
Executive Directors			
Richard Duffy	2,904,678	116,926	0
Jacques Breytenbach	1,940,151	355,398	0

Save for the interests outlined above, the Company is not aware of any of the Directors having any other direct or beneficial interest in the Group.

Share Capital and Major Shareholders

The entire issuer share capital of the Issuer comprises 50,000 ordinary shares of £1.4761 each, all of which are paid up to a total value of £73,805. The entire issued share capital of the Issuer is held by the Company.

Financial Statements

The Issuer's audited financial statements for the years ended June 30, 2019 and June 30, 2020 have been filed with the CBI and are incorporated by reference in this Prospectus (see Part 12 "*Documents incorporated by reference*"). Copies of the Issuer's financial statements can be viewed electronically and free of charge on Companies House: https://www.gov.uk/get-information-about-a-company.

The audit report on the financial information for FY 2020, incorporated by reference into this document, is unqualified. However, the financial statements for June 30, 2020 includes an emphasis of matter paragraph noting material uncertainties in relation to (i) the outcome of the Consensual Restructuring; and (ii) trading conditions and the impact of the COVID-19 pandemic, either of which may cast significant doubt about the Issuer's ability to continue as a going concern.

PART 5: DESCRIPTION OF THE GUARANTORS

1. The Company

The Company is an exempted company incorporated under the laws of Bermuda with company number 23123 on March 25, 1997 and domiciled in the United Kingdom for tax purposes. The LEI of the Company is 213800X4QZIAVSA12860.

The Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda, with telephone number +44 207 494 8203. The group management office is at 9th Floor, Capital Tower, 91 Waterloo Road, London SE1 8RT. The website of the Company is www.petradiamonds.com.

The Company is a holding company that conducts its operations primarily through its subsidiaries. The objects for which the Company was formed and incorporated can be found in paragraph 6 of the Company's Memorandum of Association, and are as follows:

a) to act and to perform all the functions of a holding company in all its branches and to coordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;

b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined;

c) as set out in paragraphs (b) to (n) and (p) to (u) inclusive of the Second Schedule to the Bermuda Companies Act 1981.

Details of the names of companies and partnerships (excluding directorships in the Group) of which the Directors are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this document are set out below:

Name	Current partnerships/directorships	Past partnerships/directorships
Director		
Peter Hill CBE	Keller Group plc Peninsula Heights Management Company Limited Peninsula Heights Freehold Limited	Alent plc Essentra plc Imagination Technologies Group plc Imagination Technologies Limited Volution Group plc
Richard Duffy	Africa Energy Management Platform Aren Energy (Pty) Ltd	-
Jacques Breytenbach	-	P-Air Air Conditioning & Refrigeration (Pty) Ltd Scribarex Investments (Pty) Ltd
Varda Shine	Diamond Empowerment Fund (DEF) Merryck & Co Limited	Lonmin Limited

Name	Current partnerships/directorships	Past partnerships/directorships
Director		
	Mineral Development Company Botswana Niron Metals plc Sarine Technologies Limited Teenage Cancer Trust	
Alexander Gordon Kelso Hamilton.....	Atrium Underwriters Limited Atrium Underwriting Group Limited Chelsea Square Garden Limited Nedgroup Trust Limited Nedgroup Trust Jersey Limited Nedbank Private Wealth Limited Nedgroup Investments (IOM) Limited Nedgroup Investment Advisors (UK) Limited River Energy JV UK Limited West Chelsea Square Private Roadway Limited	Barloworld Holdings Plc Barloworld Limited Northamber plc Sir Oswald Stoll Foundation(THE) The Royal National Institute for Deaf People
Octavia Matloa.....	Master Drilling Group Limited Mukundi Mining Resources 3 (Pty) Ltd Tsidkenu Chartered Accountants Inc	Avior Capital Markets Holdings Limited eXtract Group Limited Great Basin Gold Limited MultiChoice South Africa (Pty) Ltd MultiChoice South Africa Holdings (Pty) Ltd Village Main Reef Limited
Bernard Pryor.....	Alufer Mining Limited MC Mining Limited	-
Matthew Glowasky	Aspenframe Limited Butterfly (Finance) Limited Butterfly Group Healthcare Limited Cedarhurst Lodge (Spring) Limited Crossco (1332) Limited Crossco (1333) Limited Crossco (1334) Limited Eagle View Care Home Limited Edgewater Lodge (Spring) Limited Executive Health Care Limited Express Care (Guest Services) Limited Express Care Limited Hillcrest Care Homes Limited Hollyblue (Finance 2) Limited Hollyblue Healthcare (Alphacare) Limited Hollyblue Healthcare (Amore) Limited Hollyblue Healthcare (Arden) Limited Hollyblue Healthcare (Carrick Glen) Limited Hollyblue Healthcare (Finance) Limited Hollyblue Healthcare (Gisburne Park) Limited Hollyblue Healthcare (London) Limited	52 Conduit 2 Limited Amicura Chorley Limited Amicura Haslingden Limited Butterfly Cumbria Properties Limited Chorley Lodge Limited ECG Domicillary Care Limited ECG Guest Services Limited Executive Care Developments Limited Latécoère S.A. Haslingden Hall and Lodge Limited Hollyblue Healthcare (Countrywide) Limited Quarter Care Limited Regency Guest Services Limited Stirling Guest Services Limited

Name	Current partnerships/directorships	Past partnerships/directorships
Director		
	Hollyblue Healthcare (Millbrow) Limited Hollyblue Healthcare (Norton Lees) Limited Hollyblue Healthcare (Red Hill) Limited Hollyblue Healthcare (Spring) Limited Hollyblue Healthcare (St. Georges) Limited Hollyblue Healthcare (Stirling) Limited Hollyblue Healthcare (Ulster) Limited Hollyblue Healthcare (Voyage Care) Limited Mariposa Care Limited Monarch Alternative Capital (Europe) Ltd Northwind Leisure Limited Norton Lees Hall and Lodge Limited Papillon Care Limited Primrose Care Home Limited Richmond Heights (Spring) Limited Saintfield Lodge (Spring) Limited Salco Homes Limited Sovereign Care Homes Limited Sovereign Guest Services Limited Stanshawes Care Home Limited Stanton Lodge Limited St Georges Hall and Lodge Limited System Cycle Limited Willoughby Grange Limited Windmill Hills Care Home Limited World Trade Properties Limited	

a) Octavia Matloa is a director of Mukundi Mining Resources 3 (Pty) Ltd, a private South African company, which is currently under Business Rescue, a form of administration, pursuant to Schedule 6 of the South African Companies Act. The process was initiated by a voluntary directors' resolution due to factors beyond the control of the company.

b) Matthew Glowasky was a director of 52 Conduit 2 Limited when it entered into solvent liquidation. 52 Conduit 2 Limited was formally dissolved on March 15, 2016.

c) Matthew Glowasky is a director of the following companies, each of which entered into solvent liquidation on December 16, 2020:

   i) Aspenframe Limited;

   ii) Salco Homes Limited; and

   iii) World Trade Properties Limited.

d) Matthew Glowasky is a director of the following companies, each of which entered into solvent liquidation on December 17, 2020:

   i) Eagle View Care Home Limited;

ii) Executive Health Care Limited;

iii) Express Care (Guest Services) Limited;

iv) Express Care Limited;

v) Hillcrest Care Homes Limited;

vi) Primrose Care Home Limited;

vii) Sovereign Guest Services Limited;

viii) System Cycle Limited; and

ix) Windmill Hills Care Home Limited.

e) Matthew Glowasky is a director of Crossco (1332) Limited, which entered into solvent liquidation on December 18, 2020.

f) Matthew Glowasky is a director of Northwind Leisure Limited, which has been in administration since November 2, 2015.

g) Save as set out in paragraphs 7(a) to (f) of this Part 13 ("*Additional Information*") above, none of the Directors:

i) have any convictions in relation to fraudulent offences for at least the previous five years; or

ii) have been associated with any bankruptcy, receivership, liquidation or administration while acting in the capacity of a member of the administrative, management or supervisory body or as a partner, founder or a senior manager of any partnership or company for at least the previous five years; or

iii) have been subject to any official public incriminations and/or sanctions by any statutory or regulatory authority (including designated professional bodies) for at least the previous five years; or

iv) have ever been disqualified by a court from acting as a director of a company, or from acting as a member of the administrative, management or supervisory bodies of any company, or from acting in the management or conduct of the affairs of any company for at least the previous five years.

h) There are no family relationships between any of the Directors.

i) Save as arising out of the relationship between Matthew Glowasky and Monarch Master Funding 2 (Luxembourg) S.a.r.l., as a Qualifying Noteholder, there are no potential or actual conflicts of interest between any duties owed by the Directors to the Company and their private interests and/or other duties.

j) The Company and the Ad Hoc Committee intend that the existing Directors will remain in office following the implementation of the Consensual Restructuring, save for Alexander Gordon Kelso Hamilton who, as previously announced by the Company, will retire from the Board at the conclusion of the FY 2021 annual general meeting.

Each of the director's business address is 9th Floor, Capital Tower, 91 Waterloo Road, London SE1 8RT.

The secretary of the Company is St James's Corporate Services Limited. The business address of the secretary of the Company is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN.

The Company's audited financial statements for the years ended June 30, 2019 and June 30, 2020 and unaudited financial statements for the half year ended December 31, 2020 have been filed with the CBI and are incorporated by reference in this Prospectus (see Part 12 "*Documents incorporated by reference*").

Consolidated Group financial statements form part of the Annual Report each year and are available free of charge via the website at www.petradiamonds.com.

The audit report on the financial information for FY 2020, incorporated by reference into this document, is unqualified. However, the annual report for FY 2020 includes an emphasis of matter paragraph noting material uncertainties in relation to (i) the outcome of the Consensual Restructuring; and (ii) trading conditions and the impact of the COVID-19 pandemic, either of which may cast significant doubt about the Company's ability to continue as a going concern.

The entire issued share capital of the Company comprises 9,710,089,272 ordinary shares of 0.001 pence each, all of which are paid up to a total value of £97,100.89. The Company is, directly or indirectly, the ultimate holding company of all companies in the Group.

As at the date of this Prospectus, Vontobel Holding AG holds, directly and indirectly, 17.83% of the voting rights in the Company's share capital, Monarch Master Funding 2 (Luxembourg) S.a.r.l. holds, directly and indirectly, 12.00% of the voting rights in the Company's share capital, Invesco Ltd. holds, directly and indirectly, 8.43% of the voting rights in the Company's share capital, Bank of America Corporation holds, directly and indirectly, 7.61% of the voting rights in the Company's share capital, Franklin Templeton Investment Management Limited holds, directly and indirectly, 6.37% of the voting rights in the Company's share capital, and the Directors collectively hold, directly and indirectly, 0.01% of the voting rights in the Company's share capital. No other beneficial holder of the Company's shares has a shareholding large enough such that it requires disclosure under applicable securities laws.

2. **Petra Diamonds UK Treasury Limited ("PDUK")**

A private limited company incorporated under the laws of England and Wales with registered number 09519270 on March 31, 2015 under the Companies Act 2006. The LEI of PDUK is 213800C1G5THEDO29Z25.

The registered address of PDUK is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN, with telephone number +44 20 7494 8203. PDUK does not have its own website.

The principal activities of PDUK are focused on the provision of capital funding to related Group companies. It is for these purposes that PDUK was established. The articles of association of PDUK do not restrict the objects and/or purpose of PDUK and therefore under section 31 of the Companies Act 2006, PDUK has unrestricted objects and purpose.

The directors of PDUK are Jacques Breytenbach and Richard Neil Duffy, each of whose business address is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN and whose other principal activities outside of the Group are outlined in paragraph 1 of this Part 5. There are no potential conflicts of interest between any duties to PDUK of the directors of PDUK and their private interests and/or duties except as described in paragraph 1 of this Part 5.

The secretary of PDUK is St James's Corporate Services Limited. The business address of the secretary of PDUK is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN.

The entire issued share capital of PDUK comprises 137,126,000 ordinary shares of ZAR 1.00 each, all of which are paid up to a total value of ZAR 137,126,000. The entire issued share capital of PDUK is held by the Issuer.

3. **Petra Diamonds Southern Africa (Pty) Limited ("PDSAPL")**

A company incorporated under the laws of the Republic of South Africa with registered number 1997/007770/07 on May 22, 1997 under the South African Companies Act. The LEI of PDSAPL is 213800Q4393CQFZXTZ71.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052, with telephone number +27 11 702 6900. PDSAPL does not have its own website.

The principal activities of PDSAPL, as stated on the Companies and Intellectual Property Commission's ("**CIPC**") online report, are wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods; hotels and restaurants. The articles of association of PDSAPL do not restrict the objects and/or purpose of PDSAPL and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of PDSAPL within the Group is to act as the back office and related services company of the Group.

The directors of PDSAPL are Jacques Breytenbach and Richard Duffy, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and whose other principal activities outside of the Group are outlined in paragraph 1 of this Part 5. There are no potential conflicts of interest between any duties to PDSAPL of the directors of PDSAPL and their private interests and/or duties except as described in paragraph 1 of this Part 5.

The secretary of PDSAPL is Charlene Venter. The business address of the secretary of the PDSAPL is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052. The postal address of the secretary of PDSAPL is PO Box 71007, Bryanston, 2021.

The entire issued share capital of PDSAPL comprises 10 ordinary shares of ZAR 0.10 each, all of which are paid up to a total value of ZAR 1.00. The entire issued share capital of the PDSAPL is held by Petra Diamonds Holdings SA (Pty) Limited.

4. **Willcroft Company Limited ("Willcroft")**

A company incorporated under the laws of Bermuda with registered number 718 on September 12, 1963 under The Willcroft Company Act 1963. The LEI of Willcroft is 2138006EXS38G6KY3929.

Their registered address is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, with telephone number +1 441 295 1422. Willcroft does not have its own website.

The principal activities of Willcroft are focused on investment holding. Under paragraph 4 of the Willcroft Company Act 1963, Willcroft has the following primary powers:

a) To acquire by purchase or otherwise and hold any stocks, shares, bonds, debentures, debenture stock obligations, mortgages or securities created or issued outside the Bermuda and Somers Islands or of any other company which shall be an exempted company within the meaning of the Exempted Companies Act 1950 and to sell, exchange, vary or dispose of the same as Willcroft may from time to time determine;

b) To carry on all or any of the businesses of ship and aircraft owners, ship manager, ship and aircraft builders and repairers, ship and aircraft brokers, chartering agents, shipping agents, forwarding agents, freight contractors, carriers by land, air and water, engineers, ships' husbands, stevedores, warehousemen, wharfingers and salvors;

c) To purchase, charter, hire, build or otherwise acquire and to operate, manage, exchange, charter, mortgage, let or hire or otherwise dispose of and deal in ships, vessels, aircraft, motor and other vehicles and craft and conveyances of all kinds or any shares or interests therein;

d) To carry on the business of insurance, reinsurance and co-insurance of all kinds including, but not limited to, life, accidence, sickness, hospital, health, fire, marine, casualty, surety, fidelity, automobile, aviation, steamboiler, plate glad, windstorm, hailstorm, earthquake, flood, war risk, insurrection, riot, civil commotion, strikes, employees' liabilities, workmen's compensation, bonding and indemnity;

e) To acquire any personal property including commercial commodities and rights of any description, investments, patents, patent rights, copyrights and trade marks, and to hold, exploit, sell, dispose of, mortgage, lease, let, develop, grant licences or rights to the same as Willcroft may from time to time determine: Provided that any such property, trade or business shall be outside the Bermuda and Somers Islands but so that no prohibition shall prevent the conduct or such business from the

Bermuda and Somers Islands or the registration of any patent, copyright or trademark in the Bermuda and Somers Islands;

f) To acquire by purchase, lease, bargain, exchange or otherwise any real property and to sell, dispose of, mortgage, lease, let or otherwise deal with the same as Willcroft may from time to time determine;

g) To purchase goods and to sell such goods to any person, firm, corporate body, institution or government authority subject only to the proviso contained in paragraph (e) of this section;

h) To buy, exchange, contract for, lease and in any and all ways acquire, take, hold and own, and to deal in, sell, mortgage, lease or otherwise dispose of lands, mining claims, mineral rights, ore, oil wells, gas lands, oil and gas royalties, and other real or personal property outside these Bermuda and Somers Islands, and rights and interest in and to real or personal property and to manage, operate, maintain, improve and develop the said properties, and each and all of them;

i) In the Bermuda and Somers Islands and elsewhere to engage in and carry on all or any of the businesses of designers, manufacturers and packagers of and dealers in goods, products, machinery and merchandise of any description whatsoever;

j) To lease, acquire or erect and operate factories, laboratories, stores, workshops, warehouses and business places;

k) To develop, improve, manage, sell, exchange, let, lease or otherwise dispose of any land or other property acquired by Willcroft;

l) To lend or advance money to persons on such terms as Willcroft may deem expedient;

m) To borrow or raise or secure the payment of money in such manner as Willcroft may think fit;

n) To act as managers or agents in respect of any of the businesses of Willcroft;

o) To give guarantees with respect to the liabilities of third parties, the fidelity of individuals filling or about to fill situations of trust or confidence and such other business guarantees as Willcroft may from time to time determine;

p) To carry out all or any of the foregoing objects as principals or agents in partnership or conjunction with any other person, firm, association or company, or by means of any subsidiary or auxiliary company in any part of the world.

Nothing contained above shall be construed so as to authorise Willcroft to enter into the retail trade in the Bermuda and Somers Islands.

The directors of Willcroft are Jacques Breytenbach and Richard Duffy, each of whose business address is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and whose other principal activities outside of the Group are outlined in paragraph 1 of this Part 5. There are no potential conflicts of interest between any duties to Willcroft of the directors of Willcroft and their private interests and/or duties except as described in paragraph 1 of this Part 5.

The secretary of Willcroft is Conyers Corporate Services (Bermuda) Limited. The business address of the secretary of Willcroft is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The entire issued share capital of Willcroft comprises 12,000 ordinary shares of $1.00 each, all of which are paid up to a total value of $12,000. The entire issued share capital of Willcroft is held by the Company.

5. **Blue Diamond Mines (Pty) Limited ("BDM")**

A company incorporated under the laws of the Republic of South Africa with registered number 1993/006492/07 on November 2, 1993 under the South African Companies Act. The LEI of BDM is 213800RBTFB5HBJY9M81.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052, with telephone number +27 11 702 6900. BDM does not have its own website.

The principal activities of BDM, as stated on the CIPC's online report, are the mining of metal ores, except gold and uranium. The memorandum of incorporation of BDM does not restrict the objects and/or purpose of BDM and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of BDM within the Group is to own and operate the Koffiefontein Diamond mine.

The directors of BDM, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and their other principal activities outside the company are:

Name	**Other Principal Activities**
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Vusi Nkosi	Director, Kago Diamonds Pty Ltd

The secretary of BDM is Charlene Venter. The business address of the secretary of BDM is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052. The postal address of the secretary of BDM is PO Box 71007, Bryanston, 2021.

There are no potential conflicts of interest between any duties to BDM of the directors of BDM and their private interests and/or duties, except as disclosed in the table above.

As at June 30, 2020, the entire issued share capital of BDM comprised 9,615 ordinary shares of no par value each, all of which are paid up to a total value of ZAR 61,022, 251. On October 31, 2020 an additional 21,787,944 non participating preference shares with a redemption value of ZAR100 per preference share were issued. On 25 February 2021 a further 274,829 non-participating preference shares were issued. Thus there are 22,062,773 non-participating preference shares in issue. The issued share capital of BDM is held by Petra Diamonds Holdings SA (Pty) Ltd (74%), Kago Diamonds (Pty) Ltd (14%) and Itumeleng Petra Diamonds Employee Trust (12%). All shareholders are incorporated in South Africa.

6. **Petra Diamonds Holdings SA (Pty) Limited ("PDHSA")**

A company incorporated under the laws of the Republic of South Africa with registered number 2015/023844/07 on February 10, 2015 under the South African Companies Act.. The LEI of PDHSA is 213800RP5F2EQXTCBK98.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052, with telephone number +27 11 702 6900. PDHSA does not have its own website.

The principal activities of PDHSA, as stated on the CIPC's online report, are unrestricted. The memorandum of incorporation of PDHSA does not restrict the objects and/or purpose of PDHSA and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of PDHSA within the Group is to operate as the South African holding company for the group's operations in South Africa.

The directors of PDHSA are Jacques Breytenbach and Richard Duffy, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and whose other principal activities outside of the Group are outlined in paragraph 1 of this Part 5. There are no potential conflicts of interest between any duties to PDHSA of the directors of PDHSA and their private interests and/or duties except as described in paragraph 1 of this Part 5.

The secretary of PDHSA is Charlene Venter. The business address of the secretary of PDHSA is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052.

The entire issued share capital of PDHSA comprises 100 ordinary shares of no par value each, all of which are paid up to a total value of ZAR1,651,993,412. The entire issued share capital of PDHSA is held by the Company.

7. **Premier (Transvaal) Diamond Mining Company (Pty) Limited ("Transvaal")**

A company incorporated under the laws of the Republic of South Africa with registered number 1902/001807/07 on December 1, 1902 under the South African Companies Act. The LEI of Transvaal is 213800Y2KA7KDJIG1Y19.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 with telephone number +27 11 702 6900. Transvaal does not have its own website.

The principal activities of Transvaal, as stated on the CIPC's online report, are mining and quarrying. The memorandum of incorporation of Transvaal does not restrict the objects and/or purpose of Transvaal and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of Transvaal within the Group is to own the properties on which the Cullinan Diamond mine is located and to make such properties available to Cullinan for its mining and related activities.

The directors of Transvaal, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and their other principal activities outside the company are:

Name	**Other Principal Activities**
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Vusi Nkosi	Director, Kago Diamonds Pty Ltd

There are no potential conflicts of interest between any duties to Transvaal of the directors of Transvaal and their private interests and/or duties, except as disclosed in the table above.

The issued share capital of Transvaal comprises 153,694 ordinary shares of no par value each, all of which are paid up to a total value of ZAR 153,694. The entire issued share capital of Transvaal is held by Cullinan Diamond Mine (Pty) Ltd.

8. **Finsch Diamond Mine (Pty) Limited ("FDM")**

A company incorporated under the laws of the Republic of South Africa with registered number 2001/025614/07 on October 24, 2001 under the South African Companies Act. The LEI of FDM is 2138007O6RX9NWRIVF43.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 with telephone number +27 11 702 6900. Finsch does not have its own website.

The principal activities of FDM, as stated on the CIPC's online report, are mining and quarrying. The memorandum of incorporation of FDM does not restrict the objects and/or purpose of FDM and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of FDM within the Group is to own and operate the Finsch Diamond mine.

The directors of FDM, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and their other principal activities outside the company are:

Name	Other Principal Activities
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Vusi Nkosi	Director, Kago Diamonds Pty Ltd

There are no potential conflicts of interest between any duties to FDM of the directors of FDM and their private interests and/or duties, except as disclosed in the table above.

The secretary of FDM is Charlene Venter. The business address of the secretary of FDM is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052. The postal address of the secretary of FDM is PO Box 71007, Bryanston, 2021.

The entire issued share capital of FDM comprises 1,000 ordinary shares of no par value each, all of which are paid up to a total value of ZAR 1,000. The issued share capital of FDM is held by Petra Diamonds Holdings SA (Pty) Ltd (74%), Kago Diamonds (Pty) Ltd (14%) and Itumeleng Petra Diamonds Employee Trust (12%). All shareholders are incorporated in South Africa.

9. **Ealing Management Services (Pty) Limited ("Ealing")**

A company incorporated under the laws of the Republic of South Africa with registered number 2010/023773/07 on December 8, 2010 under the South African Companies Act. The LEI of Ealing is 213800DD62BKJOJEH675.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052, with telephone number +27 11 702 6900. Ealing does not have its own website.

The principal activities of Ealing, as stated on the CIPC's online report, are general trading and all business allied thereto; private households, exterritorial organisations, representatives of foreign governments and other activities not adequately defined. The memorandum of association of Ealing, (i) under paragraph 2 (headed "*PURPOSE DESCRIBING THE MAIN BUSINESS*") describes the main business of the company as "*General trading and all business allied thereto*"; (ii) under paragraph 3 (headed "*MAIN OBJECT*") stipulates that the main object of the company is "*General trading and all business allied thereto*"; and (ii) under paragraph 5 (headed "*POWERS*") provides that no powers of the company are excluded or qualified. The articles of association of Ealing accordingly do not restrict the objects and/or purpose of Ealing and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of Ealing within the Group is to operate as the Group treasury company.

The directors of Ealing are Jacques Breytenbach and Richard Duffy, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and whose other principal activities outside of the Group are outlined in paragraph 1 of this Part 5. There are no potential conflicts of interest between any duties to Ealing of the directors of Ealing and their private interests and/or duties except as described in paragraph 1 of this Part 5.

The secretary of Ealing is Charlene Venter. The business address of the secretary of Ealing is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052. The postal address of the secretary of Ealing is PO Box 71007, Bryanston 2021.

The entire issued share capital of Ealing comprises 100 ordinary shares of no par value each, all of which are paid up to a total value of ZAR380,702,365. The entire issued share capital of Ealing is held by Petra Diamonds Holdings SA (Pty) Ltd.

10. **Tarorite (Pty) Limited ("Tarorite")**

A company incorporated under the laws of the Republic of South Africa with registered number 2012/023733/07 on February 8, 2012 under the South African Companies Act. The LEI of Tarorite is 213800IXFBGZ1Q2JEJ65.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052, with telephone number +27 11 702 6900. Tarorite does not have its own website.

The principal activities of Tarorite are not restricted. The memorandum of incorporation of Tarorite does not restrict the objects and/or purpose of Tarorite and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of Tarorite within the Group is to act as the local agent/sales entity for sales of diamonds in South Africa. Tarorite is also the entity used to promote local beneficiation.

The directors of Tarorite, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and their other principal activities outside the company are:

Name	**Other Principal Activities**
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Vusi Nkosi	Director, Kago Diamonds Pty Ltd

There are no potential conflicts of interest between any duties to Tarorite of the directors of Tarorite and their private interests and/or duties, except as disclosed in the table above.

The entire issued share capital of Tarorite comprises 1,000 ordinary shares of no par value each, all of which are paid up to a total value of ZAR 1,000. The issued share capital of Tarorite is held by Petra Diamonds Holdings SA (Pty) Ltd (74%) and Kago Diamonds (Pty) Ltd (26%). Both shareholders are incorporated in South Africa.

11. **Cullinan Diamond Mine (Pty) Limited ("CDM")**

A company incorporated under the laws of the Republic of South Africa with registered number 2007/021069/07 on July 25, 2007 under the South African Companies Act. The LEI of CDM is 213800TLVYLMM7YGL768.

Their registered address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052, with telephone number +27 11 702 6900. CDM does not have its own website.

The principal activities of CDM, as stated on the CIPC's online report, are mining and all related activities and other business activities. The memorandum of incorporation of CDM does not restrict the objects and/or purpose of CDM and therefore, in terms of section 19(1)(b) of the South African Companies Act, the company has all of the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. The purpose of CDM within the Group is to own and operate the Cullinan Diamond mine.

The directors of CDM, each of whose business address is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052 and their other principal activities outside the company are:

Name	**Other Principal Activities**
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Vusi Nkosi	Director, Kago Diamonds Pty Ltd

The secretary of CDM is Charlene Venter. The business address of the secretary of CDM is Building 3, Silverpoint Office Park, 22 Ealing Crescent, Bryanston, 2052.

There are no potential conflicts of interest between any duties to CDM of the directors of CDM and their private interests and/or duties, except as disclosed in the table above.

The entire issued share capital of CDM comprises 1,000 ordinary shares of no par value each, all of which are paid up to a total value of ZAR 1,000. The issued share capital of CDM is held by Petra Diamonds Holdings SA (Pty) Ltd (74%), Kago Diamonds (Pty) Ltd (14%) and Itumeleng Petra Diamonds Employee Trust (12%). All shareholders are incorporated in South Africa.

12. **Petra Diamonds Belgium BV ("PDB")**

A company incorporated under the laws of Belgium with registered number 0810.466.672 on March 13, 2009 under Belgian law. The LEI of PDB is 213800J4AQNP4GOY1152.

Their registered address is Lange Herentalsestraat 62-70, Antwerp, 2018, with telephone number +32 3225 26 20. PDB does not have its own website.

PDB's principal activity is the sale and marketing of diamonds and other precious stones. Under Article 3 of PDB's Articles of Association, the purpose of PDB is to process, trade, import, export, give or take on consignment, represent and trade for commissions of rough and cut diamonds, precious stones, jewellery, precious metals and all related goods. PDB may also carry out the function of director or liquidator of other companies; a participation in the activities of or a cooperation with other companies can be achieved by means of subscription or by acquisition of shares, contribution, merger, absorption or in any way whatsoever. It may also act as guarantor for the benefit of the same companies, act as agent or representative and grant advances, loans, mortgages or other securities. Within the scope of its activity, PDB may carry out all movable and immovable financial, industrial and commercial transactions that are directly or indirectly related to its corporate purpose and that are of such a nature as to facilitate its completion.

The director of PDB, whose business address is Lange Herentalsestraat 62-70, Antwerp, 2018 and his other principal activities outside the company are:

Name	**Other Principal Activities**
Gregory Stephenson	Marketing Manager for the Group

The secretary of PDB is Panis Group. The business address of the secretary of PDB is Hoveniersstraat 40 bus 2, 2018, Antwerpen.

There are no potential conflicts of interest between any duties to PDB of the directors of PDB and their private interests and/or duties, except as disclosed in the table above.

The entire issued share capital of PDB comprises 100 ordinary shares of no par value each, all of which are paid up to a total value of €18,600. The entire issued share capital of PDB is held by the Company.

13. **Petra Diamonds Jersey Treasury Limited ("PDJ")**

A company incorporated under the laws of Jersey with registered number 111991 on December 5, 2012 under the laws of Jersey. The LEI of PDJ is 213800YOMK1CS3IDLF58.

Their registered address is 28 Esplanade, St Helier, Jersey, JE2 3QA, with telephone number +44 1534 700 000. PDJ does not have its own website.

The principal activities of PDJ are focused on financing. The objects and purpose of PDJ may be found in Article 2 of the PDJ Memorandum of Association, which states that PDJ shall have the capacity and may exercise all the powers that may be lawfully exercised by a company incorporated under the laws of Jersey. Without prejudice to the generality of the foregoing, PDJ may:

a) carry on any business or activity whatsoever in any part of the world;

b) take or acquire by any means and for any purpose any property in any part of the world (whether moveable or immoveable, tangible or intangible(or any type of interest whatsoever therein;

c) borrow or raise money and secure the repayment of any money borrowed, raised or owing by PDJ or any other person, firm or company and / or discharge any debt or obligation of or binding on PDJ or on any other person, firm or company in any manner including the issue of debentures or debenture stock and / or mortgage, pledge or other security of or upon all or any part of the property of PDJ;

d) guarantee the performance of any contract or obligation and / or the payment of money of or by any person, firm or company and secure any guarantee so given and the performance of any obligation or liability of PDJ or of any other person, firm or company in any manner including the mortgage, pledge or other security of or upon all or any part of the property of PDJ; and

e) in any manner sell, lease, grant options over, dispose of or deal with all or any part of the property of PDJ.

The directors of PDJ, each of whose business address is 28 Esplanade, St Helier, Jersey, JE2 3QA and their other principal activities outside PDJ are:

Name	**Other Principal Activities**
Jacques Breytenbach (A Director)	Please refer to paragraph 1 of this Part 5.
Martin Cudlipp (B Director)	Client Director at JTC Plc
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Daniel Pringle	Director of JTC (Jersey) Limited.

The secretary of PDJ is JTC (Jersey) Limited. The business address of the secretary of PDJ is 28 Esplanade, St Helier, Jersey, JE2 3QA.

There are no potential conflicts of interest between any duties to PDJ of the directors of PDJ and their private interests and/or duties, except as disclosed in the table above.

The entire issued share capital of PDJ comprises 1,437,399,790 ordinary shares of ZAR 1.00 each, all of which are paid up to a total value of ZAR 1,437,399,790. The entire issued share capital of PDJ is held by the Company.

14. **Petra Diamonds Netherlands Treasury BV ("PDNT")**

A company incorporated under the laws of the Netherlands registered with the Netherlands Chamber of Commerce (*Kamer van Koophandel Nederland*) with number 56626460 on December 10, 2012 under Dutch law. The LEI of PDNT is 213800NQ8J46VQOXSG37.

Their registered address is Jan van Goyenkade 8, 1075 HP, Amsterdam, with telephone number + 31 20 6731090. PDNT does not have its own website.

The principal activities of PDNT are focused on treasury services. Under Article 3 of PDNT's Articles of Association, the purpose of PDNT is to serve as a holding and finance company. Under Article 3 of PDNT's Articles of Association, the objects of PDNT are:

a) to acquire, hold and dispose of shares, participations and other interests in legal entities, companies and enterprises, as well as to cooperate with them, either jointly with others or otherwise;

b) to act as managing director, partner and/or consultant of other legal entities, companies and enterprises;

c) to render services in an administrative, technical, financial or managerial field to other companies, enterprises and persons;

d) to (cause third parties to) take out and to (cause third parties to) grant money loans and/or credits, to bind itself as (several) co-debtor or to stand surety for and to take a financial interest in any other way in other legal entities, companies and enterprises, as well as to provide securities in any other way (such as guarantees and mortgages), for debts of third parties;

e) to invest monies in equity value, the foregoing in the widest sense of the word;

f) to rent, let, manufacture, operate, develop, manage, acquire, encumber and dispose of, as well as to trade in movable and immovable property and (registered) property;

g) To acquire, manage, dispose of and exploit the rights of intellectual and/or industrial property, including patents, trademarks, (sub)licenses, processes and/or permits;

to do all such other things as are directly or indirectly incidental or conducive to the attainment of the above objects, everything in the broadest sense

The directors of PDNT, each of whose business address is Jan van Goyenkade 8, 1075 HP, Amsterdam and their other principal activities outside the company are:

Name	**Other Principal Activities**
Jacques Breytenbach	Please refer to paragraph 1 of this Part 5.
Richard Duffy	Please refer to paragraph 1 of this Part 5.
Derrick James Rutgers	Director of Praxis IFM Netherlands BV
Birgitta Jonkman	Director of Praxis IFM Netherlands BV

There are no potential conflicts of interest between any duties to PDNT of the directors of PDNT and their private interests and/or duties, except as disclosed in the table above.

The entire issued share capital of PDNT comprises 1 ordinary share of ZAR 1.00 each, all of which are paid up to a total value of ZAR 1.00. The entire issued share capital of PDNT is held by the Company.

15. **Petra Diamonds UK Services Limited ("PDUKSL")**

A private limited company incorporated under the laws of England and Wales with company number 08139825 on July 12, 2012 under the Companies Act 2006. The LEI of PDUKSL is 213800ECHB6Y8DQ4VY65.

Their registered address is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN with telephone number +44 20 7494 8203. PDUKSL does not have its own website.

The principal activities of PDUKSL are focused on the provision of investor relations and marketing services to the Company. It was for this purpose that PDUKSL was incorporated. The articles of association of PDUKSL do not restrict the objects and/or purpose of PDUKSL and therefore under section 31 of the Companies Act 2006, PDUKSL has unrestricted objects and purpose.

The directors of PDUKSL, each of whose business address is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN and their other principal activities outside the company are:

Name	**Other Principal Activities**
Jacques Breytenbach	Please refer to paragraph 1 of this Part 5.
Catherine Louise Malins	Corporate Communications Manager, the Group

The secretary of PDUKSL is St. James's Corporate Services Limited. The business address of the secretary of PDUKSL is Suite 31, Second Floor, 107 Cheapside, London, England, EC2V 6DN.

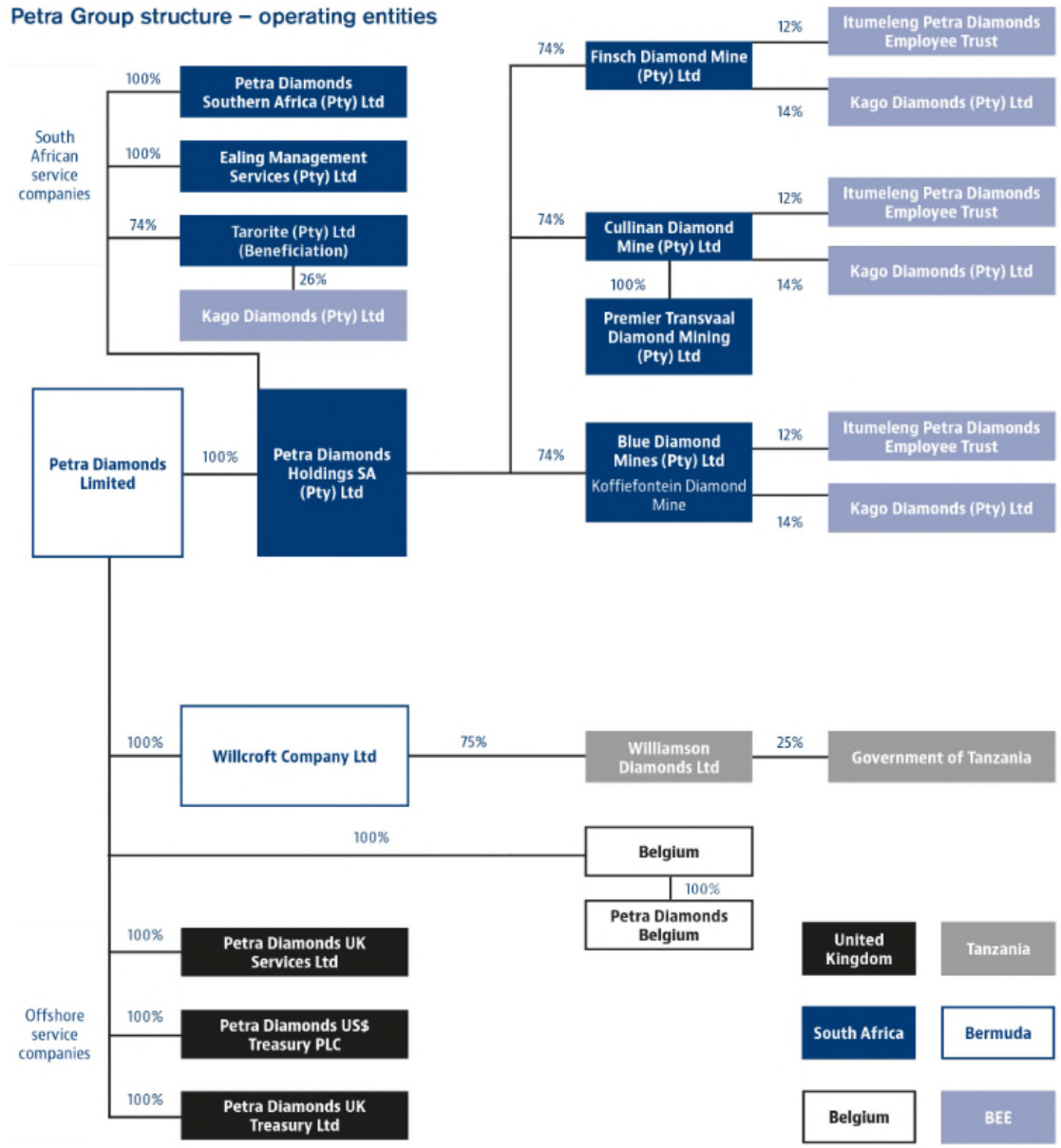
There are no potential conflicts of interest between any duties to PDUKSL of the directors of PDUKSL and their private interests and/or duties, except as disclosed in the table above.

The entire issued share capital of PDUKSL comprises 100 ordinary shares of £1.00 each, all of which are paid up to a total value of £100. The entire issued share capital of PDUKSL is held by the Company.

PART 6: DESCRIPTION OF THE GROUP

Summary Corporate and Financing Structure

The following chart shows a simplified summary of the Group's structure as of the Issue Date. The chart does not include all of the Company's subsidiaries, nor all of the debt obligations thereof. Unless otherwise indicated, the subsidiaries included in the simplified structure below are directly or indirectly wholly-owned or majority owned by the Company.



This summary contains information about the Group. It does not contain all of the information that may be important. Before making an investment decision, please read this entire Prospectus carefully, including the financial statements and the notes thereto and the other financial information contained in this document, as well as the risks described in Part 2 ("Risk Factors") of this document.

1. Overview of the Group

The Group is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company has a diversified asset portfolio incorporating interests in three producing underground mining operations in South Africa (Cullinan, Finsch and Koffiefontein). The Group also owns, together with the Government of Tanzania, 75 per cent of one open pit mine in Tanzania (Williamson), which is currently on care and maintenance.

- **Cullinan**: one of only seven tier 1 diamond deposits globally. It is mined underground using block caving and sublevel caving and is renowned for producing large, high quality white and very rare blue diamonds. The Company completed the commissioning of a modern processing plant at Cullinan in 2017.

- **Finsch**: South Africa's second largest diamond mine by production. It is mined underground using block and sublevel caving. Finsch regularly produces highly commercial goods of over five carats and occasionally produces diamonds of over 50 carats together with smaller gem quality diamonds.

- **Koffiefontein**: one of the world's top diamond kimberlite mines by average value per carat. It is mined underground using front and sublevel caving. Koffiefontein regularly produces high quality white diamonds of between five and 30 carats in size.

- **Williamson**: one of the world's largest economic kimberlites by surface area. It is mined using the open pit method. Williamson is renowned for beautifully rounded white stones and 'bubblegum' pink diamonds. In light of the unprecedented depressed market environment, the Company declared force majeure at the Williamson mine and placed the operation on care and maintenance in April 2020.

The Group's mines produce the full spectrum of diamonds, with large quantities of the mass market goods required for the bridal market worldwide and smaller quantities of much higher value large and special stones, including a regular proportion of highly prized and rare colored diamonds, such as blues from Cullinan, pinks from Williamson, yellows from Cullinan and Finsch, champagne diamonds from Cullinan, and infrequently even rarer colors, such as lilacs and greens. Cullinan in particular is renowned for producing spectacular "world-class" diamonds, earning its place in history with the discovery of the Cullinan diamond in 1905, the largest rough gem diamond ever found at 3,106 carats, which was cut to form the two most important diamonds in the British Crown Jewels, as well as more recent discoveries under the Group's ownership, such as the 507 carat Cullinan Heritage and the 29.6 carat Blue Moon of Josephine, which sold for US$35.3 million and US$25.5 million in the rough respectively. In September 2020, five high quality Type IIb blue diamonds of significant color, clarity and size were recovered at the Cullinan mine and have since been named the Letlapa Tala Collection. The Group held a special, standalone tender for these diamonds which completed on November 24, 2020. The tender process for this collection involved viewings held in Antwerp, Hong Kong and New York during November 2020. Buyers were given the option to place individual bids for one or more of the diamonds, or to place bids on the whole collection. The Letlapa Tala Collection was sold as a suite of stones to a partnership between De Beers and Diacore for a total price of US$40.36 million, payable in cash prior to delivery of the stones. The Cullinan mine also produced a 299 carat Type IIa white gem-quality diamond in January 2021. This stone was sold for US$12.2 million at the Company’s tender in March 2021.

The diamond market has continued to show improved demand for rough diamonds in Q3 FY 2021, due to the robust demand for jewellery driving continued purchasing by the midstream. Retail demand is expected to remain positive as economies re-open; albeit the industry has entered its period of typically lower demand and the resurgence of COVID-19 in some countries poses some risk to logistics and the timing of sales for the remainder of FY 2021. Diamond pricing has been supported by supply discipline, driving a better supply/demand balance in the midstream, which remains a key factor in the health of the market in 2021. Due to the impact of COVID-19 and the closure of the Argyle mine in Australia in 2020, rough diamond production is expected to have contracted significantly in 2020 and may continue to decline.

Over the period FY 2006 to FY 2020 (excluding operations disposed of in the period), the Company has produced a total of 31.4 million carats, generating revenue of approximately US$4.0 billion, operating cash flow (before capital expenditure) of US$1.4 billion and thereby facilitating capital investment of approximately US$1.6 billion. This significant investment period has resulted in the Company's annual production growing from approximately 170,000 carats to approximately 3.9 Mcts and its annual revenue growing from US$20.9 million in FY 2006 to US$463.6 million in FY 2019. Production and revenue were down significantly in FY 2020 to 3.6 Mcts and US$295.8 million due to the impact of the COVID-19 pandemic. Based on the Company's FY 2020 results 3.6 Mcts of rough diamond production and US$295.8 million of revenue), the Company accounted for approximately three per cent of world diamond production by volume and two per cent by value.

For H1 2021, the Company generated Profit from Mining Activities of US$84.0 million, Adjusted EBITDA of US$80.8 million and an Adjusted EBITDA Margin of 45 per cent. As of December 31, 2020, the Company had cash and cash equivalents of US$106.3 million.

2. Group structure

The Company is the ultimate parent company of the Group and is an exempted company limited by shares incorporated in Bermuda, but tax resident in the United Kingdom. The assets relevant to each of the Group's mining operations are held by separate corporate entities (the "**Mine-Owning Entities**"):

- Cullinan Diamond Mine (Pty) Ltd (a limited liability company incorporated in South Africa) holds the assets relevant to the Cullinan mine;
- Finsch Diamond Mine (Pty) Ltd (a limited liability company incorporated in South Africa) holds the assets relevant to the Finsch mine;
- Blue Diamond Mines (Pty) Ltd (a limited liability company incorporated in South Africa) holds the assets relevant to the Koffiefontein mine; and
- Williamson Diamonds Limited (a limited liability company incorporated in Tanzania) holds the assets relevant to the Williamson mine.

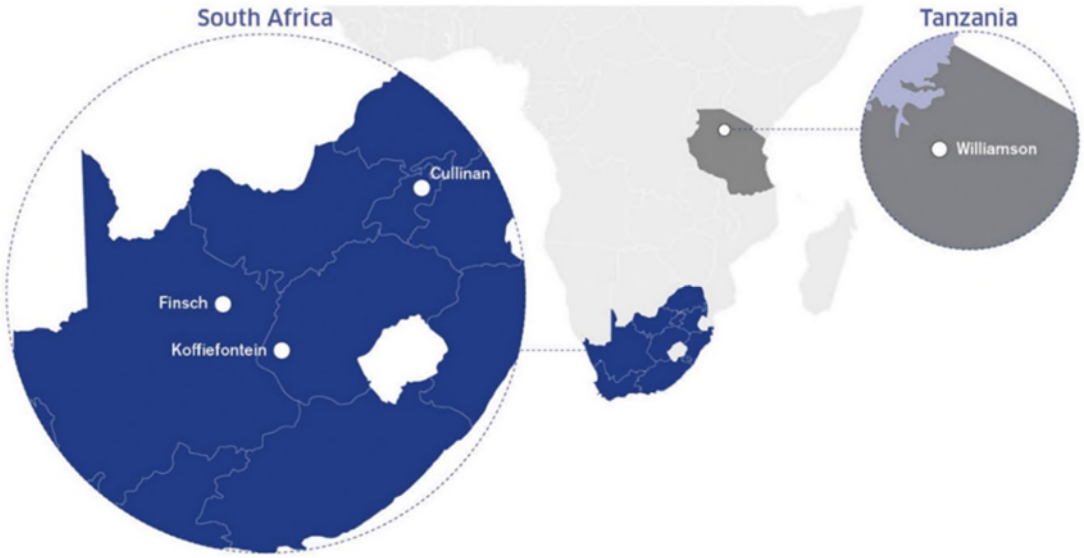
The Group's shareholding interest in the South African Mine-Owning Entities (being Cullinan, Finsch and Koffiefontein) are held by a single South African incorporated holding company, namely Petra Diamonds Holdings SA (Pty) Ltd, which is wholly-owned by the Company. Williamson Diamonds Limited is held by the Company through Willcroft Company Limited, which is incorporated in Bermuda.

Each of the Mine-Owning Entities are majority owned operations. Williamson Diamonds Limited is part owned (25 per cent.) by the Government of Tanzania and each of the South African Mine-Owning Entities have BEE Partners. Further details regarding the relationship between the Group and its BEE Partners are outlined in paragraph 4 of this Part 6 ("*Description of the Group*").

3. Key principal activities

3.1 Producing Mines

The Company's portfolio combines large underground pipe mines with one large and high volume open pit mine.



The current producing operations of the Group are summarised in the below table (unaudited):

Producing Operations

Asset	Cullinan	Finsch	Koffiefontein	Williamson
Country	South Africa	South Africa	South Africa	Tanzania
Direct ownership (%)[1]	74	74	74	75
Approved Life of Mine plan	to 2030	to 2030	to 2023	to 2033
FY 2018 production (carats)	1,368,720	2,073,477	52,537	341,102
FY 2019 production (carats)	1,655,929	1,755,768	63,635	399,615
FY 2020 production (carats)	1,578,400	1,643,568	69,077	298,130
H1 FY 2021 production (carats)	1,009,642	695,308	35,912	0
Gross Reserves[2] (Mcts)	16.55	18.48	0.24	3.59
Gross Resources[3] (Mcts)	152.50	39.11	5.31	37.86

Notes:

(1) Ownership effective as at June 30, 2020. Including its indirect interests through Kago Diamonds, the Group holds a 78.4 per cent effective economic interest in Cullinan, a 78.4 per cent effective economic interest in Finsch, and a 78.4 per cent effective economic interest in Koffiefontein.

(2) Proved Reserves and Probable Reserves as of June 30, 2020. These figures as of June 30, 2020 have been independently reviewed and verified by the Competent Person, who was appointed as an independent consultant by the Company for this purpose. See the individual Reserves and Resources tables for each mine set out below.

(3) Measured Resources, Indicated Resources and Inferred Resources as of June 30, 2020. These figures as of June 30, 2020 have been independently reviewed and verified by the Competent Person, who was appointed as an independent consultant by the Company for this purpose. See the individual Reserves and Resources tables for each mine set out below.

3.2 Cullinan

a) *Introduction*

Cullinan is one of the world's most celebrated diamond mines and is a source of large, high-quality gem diamonds, including Type II diamonds. It earned its place in history with the discovery of the Cullinan diamond in 1905, the largest rough gem diamond ever found at 3,106 carats, and it has produced more than 800 stones greater than 100 carats. It is widely acknowledged as the world's only significant source of truly rare and highly valuable blue diamonds.

The Cullinan kimberlite pipe, situated 37 km north east of Pretoria in the Gauteng province, is the largest diamondiferous kimberlite ever found in South Africa, being 32 hectares at surface. Despite already being mined for over 100 years, Cullinan still has a kimberlite footprint in excess of 16 hectares at the current mining levels.

Cullinan contains a world-class Gross Resource of 152.50 Mcts (including 17.2 Mcts in tailings), as at June 30, 2020 and produced 1,009,642 carats in the half year to December 31, 2020, which suggests its mine life could be significantly longer than the current mine plan to 2030.

b) *Geology*

The Cullinan kimberlite pipe occurs within the stable, three billion year old Kaapvaal Craton and intrudes rocks of the Transvaal Supergroup (Pretoria and Rooiberg Groups), Bushveld Complex and the younger Waterberg Group. It is a Group I kimberlite, and it is estimated by geological inference that the top 300 metres of the original pipe have been eroded away since the pipe was emplaced 1,200 million years ago. The norite has been correlated with the main zone of the Bushveld Complex. Quartzites, shales, sandstones and dolomitic shales of the Transvaal Supergroup occur both above and beneath the norite. A unique feature of this kimberlite is the occurrence of an approximately 70 metre thick diabase sill (varies from gabbro to norite) that cuts across the occurrence at approximately the 500 metre elevation. Mining has progressed well below this horizon with no detected deleterious effect.

The pipe has an elongated, kidney-shaped exposure on surface with an east-west axis 880 metres long and a north-south axis 450 metres long. The pipe has a surface area of 32 hectares and decreases to a size of 13 hectares at the resource depth of 1,082 metres below surface; the significant remaining size of the orebody at this elevation and the fact that the orebody remains open ended at depth bodes well for the consideration of potential future mine life extensions. Three major kimberlite phases are recognized within the pipe: the Brown kimberlite represents the first phase of intrusion and generally has the highest diamond grade of all the kimberlite phases in the Cullinan pipe; the Grey kimberlite represents the second phase of emplacement; and the coherent or hypabyssal kimberlite, which is a complex body within the Grey kimberlite represents the final phase.

Reserves and Resources of Cullinan Mine

	As of June 30, 2020		
Category	**Gross Tonnes (Millions)**	**Grade (cpht)**	**Contained Diamonds (Mcts)**
Reserves[(1)]			
Proved	—	—	—
Probable	43.0	38.5	16.55
Sub-total	**43.0**	**38.5**	**16.55**
Resources[(2)]			
Measured	—	—	—
Indicated	228.6	59.2	135.31
Inferred	169.6	10.1	17.20
Sub-total	**398.2**	**38.3**	**152.50**

Notes:

1) Resource bottom cut-off: 1.0mm.

(2) Reserve bottom cut-off: 1.0mm.

(3) New Resource model includes minor changes to the geological model and all outstanding sampling information from the recently completed C-Cut block cave development.

(4) B-Cut Resource tonnes and grade are based on block cave depletion modelling and include external waste. A portion of the Resources in these remnant blocks report into the current caving operations as low grade dilution.

(5) C-Cut Resource stated as in-situ.

(6) Reserves based on PCBC simulations on C-Cut phase 1 and PCSLC simulations for the CC1E.

(7) Factorised grades and carats are derived from a calculated Plant Recovery Factor ("PRF"). These factors account for the efficiency of sieving (bottom cut-off), diamond liberation and recovery in the ore treatment process.

(8) The PRF has been revised in line with the new Resource model and plant commissioning in 2018. The PRFs currently applied for the new mill plant per rock type are: Brown kimberlite = 73.8 per cent., Grey kimberlite = 67.9 per cent., Black kimberlite = 70.6 per cent. and Coherent kimberlite = 68.0 per cent.

(9) US$/ct values of 85 to 95 for ROM, excluding exceptional stones, and 30 to 40 for tailings based on expected sales values (with reference to FY 2020 sales results and considering the impact of the COVID-19 pandemic on rough diamond prices) and production size frequency distributions.

The C-Cut resource was delineated by 16,672 metres of diamonds drilling and evaluated by 12,300 metres of large diameter bulk sample drilling. Tunnel sampling and micro-diamond sampling was also used in the evaluation of the resource.

c) *Mine production*

Mining at Cullinan employs the block cave and sublevel cave mining techniques.

Cullinan has two fully-equipped and operational shafts. No. 1 Shaft is dedicated to the hoisting of rock (ore and waste) to surface from where the ore is conveyed to either the milling section of the treatment plant or to a stockpile alongside the treatment plant for later processing. The second shaft is equipped with a men-material winder used for transporting employees and material to and from designated levels, as well as taking equipment underground. In the milling section of the treatment plant diamonds are liberated from the ore while the size fraction of the ore is being reduced primarily by means of attritioning. In this section of the plant the ore is also washed and screened into different size fractions. Oversize rock is screened out and sent to the jaw crusher plant for further size reduction, undersized material is send to the slimes dam and the rest of the material is ready for further processing. Diamonds are extracted from the coarse size fraction ore stream using x-ray technology. Further concentration of ore in the finer size fraction is taking place by means of Dense Media Separation, before diamonds in this size fraction are also extracted using x-ray technology.

Since taking over the mine in July 2008, the Company had predominantly been restricted to operating in "mature" production areas in the B-Cut portion of the orebody, which are highly diluted by the ingress of waste rock. However, the significant expansion capital expenditure invested by the Company since this time has established a new block cave 'C-Cut Phase 1', sublevel caving operation 'CC1 East' and has seen the construction and commission of a modern, fit-for-purpose plant.

d) Geotechnical considerations

The Cullinan kimberlite pipe exhibits a wide range of strength characteristics, from uniaxial compressive strengths of approximately 40 MPa for the 'brown' kimberlite, to more than 150 MPa for the hypabyssal.

Block caving has been used as a mining method at Cullinan for decades. Advanced modelling techniques available, using international consultants, have been implemented in order to provide assurance and operational personnel are chosen with experience in all aspects of the mining operation in mind.

e) *Ore handling system*

The ore from the C-Cut block, once loaded from the draw points with LHDs, is tipped into a three way tipping pass arrangement where the ore is sized to approximately 600mm by means of impact breakers and a grizzly. The correctly sized ore is then fed into a jaw crusher before the crushed ore of approximately 200mm is transferred via a chute and conveyor belt system to two 4.500t silos. The ore is drawn from the silos via a measuring conveyor system into measuring flasks and then loaded into the 13.5t skips and hoisted to surface. The ore from the CC1E block reports onto the ore handling system feeding the silos.

f) *Mine ventilation*

Cullinan's ventilation system consists of a Push/Pull system that ensures that the mining area is continuously pressurised with fresh air that enters the mine to create a healthy, safe and productive working environment. In the macro ventilation system an air volume of 750 m3/s is required at an underground air density to ventilate the BB1E, BA5 and AUC sections and the C-Cut Phase 1 project section. Fresh air enters the mine via a number of down-cast air facilities, shafts and through the open pit. Used air is returned via two main exhaust surface fan systems situated on surface, the north side of the main pit and on the south side.

g) *Tailings*

There exists a major tailings deposit at Cullinan of approximately 170 Mt, estimated to contain 17.2 Mcts.

h) *Mineral processing*

In 2017 the Group completed the construction and commissioning of a new, fit-for-purpose plant at Cullinan to replace the old plant, which was originally commissioned in 1947 and had since this time been subject to a continual modification process, resulting in an inefficient footprint of 25.6 hectares, including 15 km of conveyor belts. The new plant has a throughput capacity of 4.0 to 4.2 Mt ROM and 2.3 to 2.5 Mt tailings, in comparison to the old plant which had a capacity of 2.8 Mt ROM and 2.5 Mt tailings, and had a capital cost of approximately ZAR1.84 billion (approximately US$134 million converted at an average exchange rate of US$1:ZAR13.77).

The key objectives of the new plant are: the expected improvement in the recovery of the optimal spectrum of diamonds; the better protection of the larger diamonds for which the Cullinan orebody is well known; and the simplification and streamlining of the processing route taken by mined ore over a much smaller footprint, which is expected to deliver cost and efficiency benefits.

The new plant design incorporates:

i) autogenous milling—a recovery process that breaks down ore via attrition rather than crushing, thereby better protecting the large, high-value stones;

ii) high pressure grinding rolls technology - a liberation technique incorporating inter-particle crushing, thereby moving away from high impact cone crushing;

iii) enhanced utilisation of XRF X-ray technology to replace conventional Dense Media Separation plants to treat coarser and 12mm material; and

iv) a reduced processing footprint, achieved by substantially reducing the engineering infrastructure and in particular the number of conveyor belts used.

The new plant has recovered seven stones of at least 200 carats since commissioning (including a 574.15 carat stone, being the largest stone recovered by the Group at Cullinan to date), which the Company believes were at high risk of breakage had they been processed through the old plant that relied on traditional crushing technology. FY 2019 saw the recovery of four stones of at least 100 carats and two stones of at least 200 carats, including the 425.1 carat D colour type II gem quality diamond that was sold for US$15 million. FY 2020 saw the recovery of eight stones of at least 100 carats and one stone of at least 200 carats. In Q1 FY 2021, five high quality Type IIb blue diamonds of significant color, clarity and size were recovered at the Cullinan mine. No stones of at least 100 carats were recovered in Q1 FY 2021. In Q2 FY 2021, two low quality stones exceeding 100 carats each (112.3 carats and 127.9 carats respectively) have been recovered at the Cullinan mine. In January 2021 a 299.3 carat diamond was recovered at Cullinan and was subsequently sold in March 2021 for US$12.18 million. The diamond achieved a price of US$40,701 per carat, which exceeds the US$34,386 per carat received for the 424.89 carat 'Legacy of the Cullinan Diamond Mine' in May 2019.

The new plant has reduced the processing footprint at Cullinan from 25.6 hectares to 4.9 hectares with the associated reduction of engineering infrastructure deployed (e.g. a reduction in the number of conveyor belts used from 151 (spanning 15 kilometres) to 22 (spanning three kilometres)). Operating efficiencies and security improvements are expected to be driven through increased automation, reduced tonnes in circulation and improved energy efficiencies, leading to an expected improvement in energy efficiency per tonne. Based on these efficiencies, the Company is targeting overall direct cash cost savings of approximately ZAR15 per tonne treated.

i) *Ownership*

The Company holds a 74 per cent interest in Cullinan with the remaining 26 per cent owned by the BEE Partners. Including its indirect interests through Kago Diamonds, the Group holds a 78.4 per cent effective economic interest in Cullinan.

j) *Operating review of Cullinan Mine (unaudited)*

	Unit	FY 2017	FY 2018	FY 2019	FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2021
Sales								
Diamonds Sold ·····	Carats	760,957	1,335,669	1,562,922	1,183,745	688,536	730,847	894,758
Average price per carat	US$	120	125	110	98	96	112	120
Revenue·····	US$m	91.3	167.0	171.4	116.5	66.2	81.7	107.3
ROM production								
Tonnes treated ·····	Tonnes	1,882,911	3,741,086	4,119,406	3,972,682	1,996,624	2,295,197	2,339,473
Diamonds produced····	Carats	679,622	1,342,020	1,589,707	1,482,482	785,444	855,371	913,626
Grade·····	Cpht	36.1	35.9	38.6	37.3	39.3	37.3	39.1
Tailings production								
Tonnes treated ·····	Tonnes	506,176	412,749	956,035	257,549	696,354	117,112	221,385
Diamonds produced····	Carats	106,887	26,700	66,222	95,918	46,582	34,416	96,016
Grade[1]·····	Cpht	21.1	6.5	6.9	37.2	6.7	29.4	43.4
Total production								
Tonnes treated ·····	Tonnes	2,389,087	4,153,835	5,075,441	4,230,231	2,692,978	2,412,309	2,560,858
Diamonds produced····	Carats	786,509	1,368,720	1,655,929	1,578,400	832,026	889,787	1,009,642
Costs								
On-Mine Cash Costs per tonne treated·····	ZAR	316	239	234	270	224	262	239
Capital expenditure								
Expansion capital expenditure·····	US$m	120.9	56.2	37.2	13.0	17.3	10.0	5.2
Sustaining capital expenditure·····	US$m	4.3	6.5	6.8	3.4	3.2	2.0	0.7
Borrowing costs capitalized·····	US$m	26.0	11.2	2.3	0.0	2.3	0.0	0.0
Total capital expenditure·····	US$m	151.2	73.9	46.3	16.4	22.8	12.0	5.9

Note:

1) The Company is not able to precisely measure the ROM / tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.

In H1 2021, Cullinan's overall carat production increased by 13% to 1,009,642 carats (H1 FY 2020: 889,787 carats) due to ROM production increasing by 7% to 913,626 carats (H1 FY 2020: 855,371 carats) in line with Project 2022 throughput targets. Tailings production increased by 179% to 96,016 carats in line with the mine plan (H1 FY 2020: 34,416 carats). The higher ROM carat production was largely driven by an increased volume treated of 2,339,473 tonnes (H1 FY 2020: 2,295,197 tonnes) at a ROM grade of 39.1 cpht (H1 FY 2020: 37.3 cpht).

Cullinan's revenue increased 31% to US$107.3 million (H1 FY 2020: US$81.7 million), due to the higher sales volumes, as well as the sale of the Letlapa Tala Collection for US$40.4 million (H1 FY 2020: US$14.9 million exceptional diamond sales), offset by reduced pricing as a result of COVID-19.

k) *Development plan*

The remaining work for the C-Cut includes the completion of the workshops on 839 mL, the 910 mL pump station, the installation of North Crusher 2 and concreting of the return air way ("**RAW**") on 881 mL.

Early start development for access to the CC1E Phase 1 sublevel cave is anticipated to start in January 2021. On completion, the CC1E Phase 1 project will contribute 10 Mt of ore at a grade of 53.6 cpht, at a production rate of up to 1.2 Mtpa.

The ROM grade achieved at Cullinan had been on a declining trend until the C-Cut Phase 1 project started to deliver undiluted ore to the mine's production profile. This has seen the ROM grade rise from a low of 20.9 cpht achieved in Q3 FY 2015 to 39.1 cpht in H1 2021. In addition, historically and from sampling programmes, there has been a higher incidence of larger white diamonds and blue diamonds in the western blocks of the Cullinan kimberlite pipe, which may bode well for future recoveries of exceptional diamonds.

The Group's ongoing review of its future capital requirements may result in an alteration to the mines' expansion strategy, mainly to defer the CC1E extension project at the Cullinan mine should a further need arise to preserve cash. Under the Company's reasonable worst case scenario, it is projected that there may be a deferral of some capital expenditure in order to help mitigate against the DSCR Breach. Therefore, in such a scenario, the CC1E extension project could be deferred.

The Group foresees a long life for the operation and has a current mine plan of 10 years, though this plan only anticipates exploiting 24 per cent of the C-Cut resource, which has been drilled to a depth of 1,082 metres, leaving extensive resources for future development.

l) *Mine plan*

The Company's current mine plan has a life to 2030, but the major residual Resources at the mine indicate that the actual LOM could extend beyond 2030 based on estimated rates of production and Resource estimates as of June 30, 2020. In order to achieve an extension of 2030 LOM, expansionary capital expenditure would be required, which may be delayed or not forthcoming.

m) *Licenses and permits*

Cullinan Diamond Mine (Pty) Ltd holds the Cullinan Mining Right. The Cullinan Mining Right was granted to De Beers pursuant to Item 7 of Schedule II of the MPRDA and was ceded from De Beers to Cullinan Diamond Mine (Pty) Ltd by a notarial deed of cession on July 1, 2008 pursuant to section 11 of the MPRDA in respect of the area covered by the Cullinan Mining Right. The cession was duly notarised and registered in the Mineral and Petroleum Titles Registration Office under reference number 36/2008 MR.

The Cullinan Mining Right relates to the remain extent of portion 3 of the farm Elandstonfein 480 JR, situated in Gauteng, Magisterial District of Cullinan, for an area of 453.2 hectares.

The Cullinan Mining Right confers on Cullinan Diamond Mine (Pty) Ltd the exclusive right to mine for diamonds in relation to the 'Mining Right area' until December 3, 2037. Pursuant to the MPRDA, the Cullinan Mining Right is renewable (for periods of up to 30 years for each renewal). Subject to compliance with the terms and conditions of the mining right, the Minister of Mineral Resources is expected to renew the Cullinan Mining Right.

The Cullinan Mining Right was issued on standard terms and conditions for mining rights of this nature and contains no exceptional terms or conditions. Standard terms and conditions in the Cullinan Mining Right include the requirement that (a) a royalty must be paid to the South African government pursuant to the Mineral and Petroleum Resources Royalty Act 2008, (b) mining must be conducted in accordance with the mining work programme, environmental management programme and social and labor plan concerned, and (c) the right may not be transferred without the Minister of Mineral Resources' consent, a breach of which may result in the Cullinan Mining Right being suspended or canceled.

The surface rights in respect of the land on which the Cullinan mine is situated are held by Premier Transvaal, a wholly owned subsidiary of Cullinan Diamond Mine (Pty) Ltd. Cullinan Diamond Mine (Pty) Ltd also has access rights to the land pursuant to the Cullinan Mining Right and Section 5 of the MPRDA.

3.3 **Finsch**

a) *Introduction*

Finsch is an underground block cave and sublevel cave diamond mine with quality infrastructure including a modern processing plant which was upgraded by De Beers shortly before the Group acquired the mine. The mine has a shaft capacity of 4.6 Mtpa and the main plant has a capacity of 6.7 Mtpa. From a combination of underground mining and tailings retreatment, Finsch has produced approximately 140 Mcts in its approximately 50 year life to date.

Further to the capital investment committed by the Group since takeover, production has transitioned from a mechanised block cave at the 630 mL to a sublevel cave over four levels from 700 mL to 780 mL, which commenced production during H1 FY 2017.

Finsch has produced a number of large, special diamonds in its history and mine records reflect the regular recovery of stones larger than 50 carats per annum (an average of 16 stones per annum) over the last four years. In addition, the mine has produced a range of colored diamonds, with yellow being the most frequent.

b) *Ownership*

The Company holds a 74 per cent interest in Finsch with the remaining 26 per cent owned by the BEE Partners (including its indirect interests through Kago Diamonds, the Group holds a 78.4 per cent effective economic interest in Finsch).

c) *Geology*

Finsch is a Group II kimberlite pipe with an age of approximately 118 Ma. The pipe was emplaced through a thick sequence of Transvaal Supergroup sedimentary rocks comprising dolomites, banded iron formation and shales that overlie the western part of the Kaapvaal craton. Preserved within the pipe are large fragments of Karoo-aged sediments, lavas and dolerite which were present in the geological record at the time of emplacement, but have subsequently been eroded away. The size and concentration of these Karoo-age fragments decreases with depth in the Finsch pipe. The pipe is made up of eight phases of kimberlite, two of which make up the majority of the main pipe and are currently being mined. The Group believes that there is significant potential for mining at least one of the precursor kimberlite bodies attached to the main pipe.

The Finsch kimberlite pipe is a near vertical intrusion, had a surface footprint of 17.9 hectares at surface and is elliptical in outline.

d) *Reserves and Resources of Finsch Mine*

	As of June 30, 2020		
Category	**Gross Tonnes (Millions)**	**Grade (cpht)**	**Contained Diamonds (Mcts)**
Reserves[1]			
Proved	—	—	—
Probable	33.2	55.7	18.48
Sub-total	**33.2**	**55.7**	**18.48**
Resources[2]			
Measured	—	—	—
Indicated	29.2	67.7	19.78
Inferred	36.2	53.4	19.33
Sub-total	**65.4**	**59.8**	**39.11**

Notes:

(1) Resource bottom cut-off: 1.0mm.
(2) Reserve bottom cut-off: 1.0mm.
(3) Block 4 Resource tonnes and grade are based on block cave depletion modelling and include external waste. A portion of this remnant Resource reports into the current caving operations as low grade dilution.
(4) Block 5 and Block 6 Resource stated as in situ.
(5) Remaining Block 5 Reserves are based on PCSLC and PCBC simulations.
(6) US$/ct values of 75 to 85 for ROM, based on expected sales values (with reference to FY 2020 sales results and considering the impact of the COVID-19 pandemic on rough diamond prices) and production size frequency distributions.

Finsch was mined as an open pit mine until September 1990 at which time it extended to a depth of 423 metres. Approximately 110 Mt of waste rock and 98 Mt of diamond bearing kimberlite were mined from the open pit to produce approximately 79 Mcts.

Block 1 was mined as an open pit, Block 2 was mined from above as an open pit and from underground using open stoping mining methods, Block 3 was mined from underground using open stoping mining methods. Block 4 has been mined using sublevel open stoping and block caving mining methods since January 2003. Block 5 is currently being mined using the sublevel caving mining method and first started contributing significant tonnages in FY 2017. In FY 2020, the Block 5 sublevel cave production ramp up delivered 2.7 Mt. The Block 5 sublevel cave remains in a production build up phase.

In addition to the underground mining operations, the Group conducted surface mining of overburden dumps, until FY 2020. Negligible tailings production was carried out in FY 2020, with the pre-79 TMR coming to an end.

e) *Geotechnical considerations*

The Block 5 sublevel cave operations are proceeding with few geotechnical problems.

f) *Ore handling system*

The Finsch orebody is accessed via a nine metre diameter, vertical concrete-lined 820 metre deep shaft. The shaft is equipped with three automatic Koepe winders. Conveyances for three winders operate within the shaft via four main compartments, namely the men and material cage, the service winder cage and two 28 tonne capacity skips. There is also a decline from surface to a depth of 880 metres giving access to Block 5.

The men and material cage has a payload of 25 tonnes (or 100 people per trip) while the service winder is permitted to carry 12 people per trip. The rock winder is capable of hoisting 32 skips per hour under its current permit conditions. Although the shaft has an annual maximum capacity of approximately 4.6 Mt, the single line conveyor system limits capacity to 3.2 Mtpa depending on the selected shift configuration.

A part of the sublevel cave ground handling facility, the first jaw crusher was commissioned in H1 2018 and the second crusher almost a year later. A third crusher is scheduled to be installed on 78L during FY 2021.

After crushing, the ore is transported by means of conveyor belts and deposited into ore storage passes, until they are at a level suitable for hoisting. These passes have a total capacity of approximately 3,000 tonnes. From the ore passes, the ore is conveyed to the shaft measuring flasks, which have a 28 tonne capacity.

Tonnes produced from the new Block 5 sublevel cave are trammed from the production tunnels by manned LHD's, tipped directly into ore passes which feed the crushers and subsequent conveyor on 810 mL. This conveyor system links up with the conveyor system on 650 mL, currently feeding the shaft silos, and was put in place from the end of FY 2016.

g) *Mine ventilation*

Finsch's ventilation system consists of a push and pull system that ensures that the mining area is continuously pressurised with fresh air that enters the mine to create a healthy, safe and productive working environment.

Fresh air enters the mine via the main shaft, decline and through the open pit. Pressurization is at 15 per cent to prevent short-circuiting of air.

Used air is returned via the main exhaust surface fan system situated on surface with a flow rate of approximately 430m³/s.

The rest of the air is exhausted using main exhaust fans situated on the 61st and 62nd levels underground. The air is pushed towards the fan through ventilation passes and discharged into the pit. The total air exhausted out of the mine is approximately 1,000m³/s.

h) *Tailings*

Tailings are mined and trammed to a wet infield screening plant from where they are pumped onto a stockpile facility and blended with run-of-mine ("**ROM**") ore, historically at a rate of up to 2.6 Mtpa. Negligible tailings production is planned in the future, as the pre-79 TMR is almost depleted. Lower grade post-79 tailings material remains available to supplement underground operations in the future.

Underground ROM ore (smaller than 300 mm) is transported at a rate of 3.0 Mtpa by the rock winder to surface and tipped into a surge bin at the shaft. At surface it is reduced to less than 100 mm for further treatment in the main diamond recovery plant. The ore is treated and sized before it is treated in the DMS process. The plant upgrade introduced two high pressure roll crushers to liberate any locked-up diamonds which were not liberated in the earlier crushing stages.

With the depletion of the pre-79 TMR tailings ore, the tailings feed to the plant has ramped down over the past year. The plant however has an installed capacity to treat the tailings at a rate of 2.5 Mtpa. The product is pumped, de-slimed, de-watered and stacked onto a stockpile, before it is fed into the main plant.

i) *Mineral processing*

Finsch's mining infrastructure includes a modern processing plant which was upgraded during 2007 and 2008 and has a capacity of 6.7 Mtpa, as well as a bulk sample plant with a capacity of 0.6 Mtpa.

Underground ROM (smaller than 300 mm) is transported at a rate of 3.0 Mtpa by a rock winder to surface and tipped into a surge bin at the shaft. At surface the size of ROM is reduced through a primary crusher to less than 100 mm for further treatment in the main diamond processing plant. ROM is further treated and sized through an ore preparation section encompassing scrubbing, secondary and closed circuit tertiary crushing, and sizing before it is treated in the DMS process. The plant upgrade included the replacement of a rod milling circuit with two high pressure roll crushers to recrush DMS float material larger than the mid cut point, which further liberates any locked-up diamonds.

With the depletion of the pre-79 TMR tailings ore, the tailings feed to the plant has ramped down over the past year. The main plant however has an installed capacity to treat the tailings at a rate of 2.6 Mtpa. The product is pumped, de-slimed, de-watered and stacked onto a stockpile, before it is fed into the main plant.

j) *Operating review of Finsch Mine (unaudited)*

	Unit	FY 2017	FY 2018	FY 2019	FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2021
Sales								
Diamonds Sold ·····	Carats	2,141,885	2,152,786	1,711,311	1,348,181	829,530	783,962	768,647
Average price per carat ·····	US$	101	108	99	75	105	79	71
Revenue ·····	US$m	216.7	231.9	170.2	101.1	87.0	61.7	54.8
ROM production[(1)]								
Tonnes treated ·····	Tonnes	3,212,169	3,084,395	3,073,479	2,719,389	1,053,335	1,534,256	1,323,000

	Unit	FY 2017	FY 2018	FY 2019	FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2021
Diamonds produced···	Carats	1,818,454	1,926,467	1,724,265	1,603,678	927,934	880,707	695,308
Grade[(1)]·····	Cpht	56.6	62.5	56.1	59.0	61.7	57.4	52.6
Tailings production[(1)]								
Tonnes treated ·····	Tonnes	1,651,089	794,973	223,568	211,541	134,395	174,167	0.0
Diamonds produced···	Carats	331,442	147,010	31,503	39,890	19,490	32,850	0.0
Grade·····	Cpht	20.1	18.5	14.1	18.9	14.5	18.9	0.0
Total production[(1)]								
Tonnes treated ·····	Tonnes	4,863,258	3,879,368	3,297,047	2,930,930	1,637,730	1,708,423	1,323,000
Diamonds produced···	Carats	2,149,896	2,073,477	1,755,768	1,643,568	947,424	913,557	695,308
Costs								
On-Mine Cash Costs per tonne treated·····	ZAR	253	329	388	477	400	405	456
Capital expenditure								
Expansion capital expenditure·····	US$m	58.4	42.3	13.6	6.1	8.3	4.2	0.8
Sustaining capital expenditure·····	US$m	9.1	7.7	9.1	2.3	4.1	1.4	0.5
Borrowing costs capitalized·····	US$m	18.1	4.0	1.4	0.0	1.4	0.0	0.0
Total capital expenditure····	US$m	85.6	54.0	24.1	8.4	13.8	5.6	1.3

Notes:

(1) The Group is not able to precisely measure the ROM/tailings grade split because ore from both sources is processed through the same plant; the Group therefore back-calculates the grade with reference to Resource grade.

In H1 2021, Finsch's overall carat production decreased by 24% to 695,308 carats (H1 FY 2020: 913,557 carats) due to ROM carat production decreasing by 21% to 695,308 carats (H1 FY 2020: 880,707 carats) further to a 14% decrease in the volume treated of 1,323,000 tonnes (H1 FY 2020: 1,534,256 tonnes) and an 8% decrease in the ROM grade to 52.6 cpht (H1 FY 2020: 57.4 cpht). ROM volumes mined in H1 were impacted by the expiry of the temporary continuous operations arrangement during September 2020, subsequently reinstated during October 2020 and will remain in place until June 2021.

As announced on December 22, 2020, the Finsch mine has experienced higher than expected levels of waste ingress in a number of the upper levels of the Block 5 Sub Level Cave, which has served to negatively impact the recovered grade. The Company has been going through a detailed exercise to better understand this issue and has put a plan in place to mitigate the impact. In the short term, this will include a revision to the draw strategy to limit planned draw tonnage for the next four months, a build-up of inventory rings to allow for increased blasting from March 2021, and a change to the drill and blast designs to optimise ore extraction. In the longer term, the Company will also investigate ore mixing programmes to better assist with the prediction of waste ingress. A combination of the reduced ore tonnage extraction (further to the dilution caused by the waste material ingress) and a lower grade is expected to lead to Finsch's production for FY 2021 being ca. 15% lower in carat volumes than the Company's internal plan.

During H1 FY 2021, the areas surrounding the Finsch mine experienced above average rainfall. Due to the excessive amount of rainfall and an influx of water into the pit, pit wall failures were experienced on the northern side of the pit. These failures have not impacted production to date, but they may have a future impact on the stability of the decline from surface which also serves as the second escape route from the underground operations. Measures to mitigate the impact on the second escape route are being put in place and include the re-commissioning of a temporary hoisting facility from surface down to the 70 level.

k) *Development plan*

The Group's current mine plan has a life to 2030, but Resources in Block 6 and the adjacent precursor kimberlite orebody, which sits next to the main body of the Finsch kimberlite pipe, could prolong the actual LOM. The mine has Gross Resources of 39.1 Mcts.

Underground production is now derived from Block 5, which has Probable Reserves of 33.2 Mt at a grade of 55.7 cpht, which equates to 18.48 Mcts. In order to provide earlier access to undiluted ore, the Company is using the sublevel cave mining method over four levels in Block 5 from 700 mL to 780 mL, before a new Block 5 Block Cave is planned to be installed at 900 mL. Development for this project is scheduled to start in FY 2022.

However, the Group's ongoing review of its future capital requirements may result in a continuation of the sublevel cave to deeper levels, in preference to the installation of the block cave currently included in the Group's plans. Under the Company's reasonable worst case scenario, it is projected that there may be a deferral of some capital expenditure in order to help mitigate against the DSCR Breach. Therefore, in such a scenario, the Group may delay the installation of the block cave.

Mining is currently from the sublevel cave over four levels from 700 mL to 780 mL. All four levels of the sublevel cave are now in production and the sublevel cave delivered 2.7 Mt of ore for FY 2020 at a ROM grade of 59.0 cpht. The sublevel cave is fully developed but is constrained by the ground handling system to a maximum of 3.2 Mt.

l) *Mine plan*

The Company's initial mine plan has a life to 2030, but residual Resources at the mine indicate that the actual LOM could extend beyond 2030, based on estimated rates of production and Resource estimates as of June 30, 2020. In order to achieve an extension of 2030 LOM, the Group will require funding for capital expenditures, which may be delayed or not forthcoming.

m) *Licenses and permits*

Finsch Diamond Mine (Pty) Ltd holds the Finsch Mining Right. The Finsch Mining Right was initially issued to De Beers under Item 7 of Schedule II of the MPRDA and was ceded to Finsch Diamond Mine (Pty) Ltd by notarial deed of cession on September 8, 2011 and duly notarised and registered in the Mineral and Petroleum Titles Registration Office under reference number 25/2011.

The Finsch Mining Right relates to portion 26 (Brits) and portion 34 (a portion of the remaining extent) of the farm Carter Block 458, Magisterial District of Hay, Northern Cape Province for an area of 1,567 hectares.

The Finsch Mining Right confers on the Group the exclusive right to mine for diamonds in relation to the 'Mining Right area' until October 14, 2038. Pursuant to the MPRDA, the Finsch Mining Right is renewable (for periods of up to 30 years for each renewal). Subject to compliance with the terms and conditions of the mining right, the Minister of Mineral Resources is expected to renew the Finsch Mining Right.

The Finsch Mining Right was issued on standard terms and conditions for mining rights of this nature. Standard terms and conditions in the Finsch Mining Right include the requirements that (a) a royalty must be paid to the South African government in terms of the Mineral and Petroleum Resources Royalty Act in respect of minerals recovered under the Finsch Mining Right, (b) mining must be conducted in accordance with the mining work programme, environmental management programme and social and labor plan concerned, and (c) the right may not be transferred without the Minister of Mineral Resources' consent, a breach of which may result in the Finsch Mining Right being suspended or cancelled.

3.4 **Koffiefontein**

a) *Introduction*

Koffiefontein is one of the world's top diamond mines by average value per carat and produces exceptional white and colored diamonds, a regular proportion of which are of between five and 30 carats. It is an underground kimberlite pipe mine currently mining at a depth of 520 to 600 metres. Koffiefontein’s production decreased 19% to 35,912 carats (H1 FY 2020: 44,545 carats), following

operational disruptions due to COVID-19, including challenges related to the availability of spares for underground drilling machinery; the ROM stockpile was largely depleted during H1 FY 2021.

b) *Ownership*

The Group holds a 74 per cent interest in Koffiefontein with the remaining 26 per cent owned by the BEE Partners. Including its indirect interests through Kago Diamonds, the Company holds a 78.4 per cent effective economic interest in Koffiefontein.

c) *Geology*

The Koffiefontein pipe has been classified as a Group I kimberlite, falling into the Cretaceous grouping of kimberlites in South Africa that were emplaced approximately 80 to 90 million years ago, and is the largest and most economical of a cluster of three pipes in the area, the others being Ebenhaezer and Klipfontein lying to the north west.

The Koffiefontein pipe was emplaced through basement granite gneiss and Karoo sediments and dolerite with an area of 11.1 hectares at surface, narrowing to 7.8 hectares at the 490 metre level. The Koffiefontein pipe consists of multiple intrusions. The first phase was the intrusion of the east and west fissures followed by the west speckled pyroclastic kimberlite. This was followed by the emplacement of the east speckled pyroclastic kimberlite, with a mudstone breccia separating the previously mentioned two kimberlite phases.

d) *Reserves and Resources of Koffiefontein Mine*

	As of June 30, 2020		
Category	**Gross Tonnes (Millions)**	**Grade (cpht)**	**Contained Diamonds (Mcts)**
Reserves[(1)]			
Proved	—	—	—
Probable	3.0	7.9	0.24
Sub-total	**3.0**	**7.9**	**0.24**
Resources[(2)]			
Measured	—	—	—
Indicated	15.0	7.7	1.15
Inferred	125.0	3.3	4.16
Sub-total	**140.0**	**3.8**	**5.31**

Notes:

(1) Resource bottom cut-off (Koffiefontein underground and Ebenhaezer): 1.15mm.
(2) Reserve bottom cut-off: 1.15mm.
(3) Main pipe Resources above 490L are remnants of the front cave mining block and include external waste. A portion of this remnant Resource reports into the current caving operations as low grade dilution.
(4) Resources below 490L are stated as in situ.
(5) The Eskom Tailings Mineral Resource has been removed following a donation of part of the Tailings Mineral Resource to the Koffiefontein Community Mining Primary Cooperative to promote artisanal small-scale mining in the area.
(6) Remaining 56 to 60L sub-level cave Reserves are based on PCSLC simulations.
(7) US$/ct values of 400 to 450 for ROM, based on expected sales values (with reference to FY 2020 sales results and considering the impact of the COVID-19 pandemic on rough diamond prices) and production size frequency distributions.

e) *Koffiefontein pipe*

Diamonds were first discovered on the Koffiefontein farm in 1870. Mining started in the form of small claims that were later amalgamated into Koffiefontein Mine Limited. De Beers acquired control of Koffiefontein Mine Limited in 1911. Since the De Beers acquisition of Koffiefontein, the mining operations were continuous until the advent of the Great Depression in 1932 when work was suspended. Between 1950 and 1953, a prospecting shaft was sunk which was followed by limited production. The mine was reopened in 1970 and was mined as an open pit mine until 1981. On completion of the open pit operations the pit had a surface area of 44 hectares and a diameter of 750 metres, plus a depth in excess of 270 metres. Access to the underground operations is via a roadway decline down to 52 level (520 metres below surface) and via No.2 Main Rock Shaft. This shaft was sunk in 1974 and has a diameter of 7.5 metres and a depth of 654 metres below surface.

The transition to an underground mining operation took place in 1981. The kimberlite ore was initially extracted from underground on the 370 mL by means of blast hole open stoping. Due to excessive dolerite pit sidewall failures, this mining method was subsequently changed to the sub-level undercutting mining method. Development of a front cave started in 1996 and reached full production in 2000; this mining method was used up to 490 mL. The Company has since transitioned the mine to the sublevel cave mining method, which first commenced in FY 2014, and mined over three levels from 560 mL to 600 mL, known as 56L, 58L and 60L. The sublevel cave is fully developed with the bulk of production remaining coming from levels 58L and 60L.

f) *Geotechnical considerations*

Planned mining layouts at Koffiefontein are extensively modelled, and no plans are adopted unless they are judged to be geotechnically feasible. For the new block from 560 mL to 600 mL, the sublevel cave mining method was selected by the Group. The decision was based on numerous factors, including the geotechnical stability of the design. Some stress related damage has been recorded on level 58L which can be attributed to the initiation of caving on level 60L in an adjacent area. Although this has resulted in the loss of a portion of one tunnel on level 58L, the remaining tonnes associated with this tunnel should be recoverable from level 60L.

g) *Ore handling system*

Ore from underground is removed from a series of parallel tunnels that have been developed in both a north-south and east-west direction across the footprint of the sublevel cave. A fleet of LHD vehicles is used to load ore from blasted rinks and transport the ore back through the loading tunnels to the crushers. These in turn feed a network of conveyor belts which transport the ore to the existing shaft arrangements, thereby hoisting the ore to the surface and feeding it directly into the plant orepass infrastructure.

h) *Mineral processing*

Ore is delivered to the plant after having been crushed underground to less than 150 mm in size. The crushed ore is then washed through a scrubber that removes much of the fine material and prepares the ore for sizing into several fractions. The oversize (+35 mm) reports for secondary crushing to reduce the size to less than 35 mm.

The Company completed a major refurbishment of the plant since taking over the mine and it currently has a treatment capacity of approximately 1.5 Mtpa.

i) *Tailings*

There is a 52.9 Mt tailings Resource at Koffiefontein estimated to hold 1.0 Mcts. This includes the Eskom tailings dump, which is a pre-1937 dump generated when 'flooring' was still a practice, meaning the coarser material of +25 mm went straight to the dumps without crushing.

The Company has in the past used tailings to fill spare capacity in the plant, however tailings retreatment is no longer included in Koffiefontein's mine plan. The Company will continue to evaluate whether it will include tailings production in the mine plan going forward.

j) *Operating review of Koffiefontein Mine (unaudited)*

	Unit	FY 2017	FY 2018	FY 2019	FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2021
Sales								
Diamonds Sold ·····	Carats	56,068	51,936	60,291	66,326	23,406	34,163	18,944
Average price per carat	US$	506	525	480	387	447	431	590
Revenue ·····	US$m	28.4	27.2	28.9	25.7	10.5	14.7	11.2
ROM production								
Tonnes treated ·····	Tonnes	667,821	649,259	1,000,726	891,705	377,391	561,296	493,661
Diamonds produced····	Carats	51,173	52,537	63,635	69,077	25,275	44,545	35,912
Grade·····	Cpht	7.7	8.1	6.4	7.7	6.7	7.9	7.3
Tailings/Ebenhaezer production								

Tonnes treated ·····	Tonnes	—	—	—	—	—	—	
Diamonds produced····	Carats	—	—	—	—	—	—	
Grade·····	Cpht	—	—	—	—	—	—	
Total production								
Tonnes treated ·····	Tonnes	667,821	649,259	1,000,726	891,705	377,391	561,296	493,661
Diamonds produced····	Carats	51,173	52,537	63,635	69,077	25,275	44,545	35,912
Costs								
On-Mine Cash Costs per tonne treated·····	ZAR	532	596	450	510	585	419	459
Capital expenditure								
Expansion capital expenditure·····	US$m	13.3	9.6	5.2	2.7	3.0	1.7	0.3
Sustaining capital expenditure·····	US$m	5.5	2.7	0.9	1.1	0.2	0.6	0.3
Total capital expenditure·····	US$m	18.8	12.3	6.1	3.8	3.2	2.3	0.6

In H1 2021, Koffiefontein's production decreased 19% to 35,912 carats (H1 FY 2020: 44,545 carats), following operational disruptions due to COVID-19, including challenges related to the availability of spares for underground drilling machinery; the ROM stockpile was largely depleted during H1 FY 2021.

In H1 2021, Koffiefontein's revenue decreased 24% to US$11.2 million (H1 FY 2020: US$14.7 million), due to lower volumes sold coupled with the weaker diamond market, partially offset by increased proportion of coarser, more valuable rough diamonds supporting an increased price per carat.

k) *Development plan*

Currently Koffiefontein's future expansion programmes have been halted with no expansion capital planned for FY 2021. A decision will have to be taken on any further expansion.

l) *Mine plan*

The Group's updated mine plan, which is based on no further expansion capital investment beyond the existing SLC, has a life to 2023. The Group will continuously revisit this position with reference to prevailing market conditions.

m) *Licenses and permits*

Blue Diamond Mines (Pty) Ltd holds the Koffiefontein Mining Right. The Koffiefontein Mining Right was duly notarised by the Department of Mineral Resources and duly registered in the Mineral & Petroleum Titles Registration Office under reference number 20/2008 MR.

The Koffiefontein Mining Right relates to the remaining extent of the farm Koffiefontein 733, Magisterial District of Koffiefontein Free State Province, for an area of 968.6 hectares.

The Koffiefontein Mining Right confers on Blue Diamond Mines (Pty) Ltd the exclusive right to mine for diamonds in relation to the license areas until February 23, 2047. Pursuant to the MPRDA, the Koffiefontein Mining Right is renewable (for periods of up to 30 years for each renewal). Subject to compliance with the terms and conditions of the mining right, the Minister of Mineral Resources is expected to renew the Koffiefontein Mining Right.

The Koffiefontein Mining Right was issued on standard terms and conditions for mining rights of this nature and contains no exceptional terms or conditions. Standard terms and conditions in the Koffiefontein Mining Right include the requirement that (a) a royalty must be paid to the South African government pursuant to the Mineral and Petroleum Resources Royalty Act 2008, (b) mining must be conducted in accordance with the mining work programme, environmental management programme and social and labor plan concerned, and (c) the right may not be transferred without the

Minister of Mineral Resources' consent, a breach of which may result in the Koffiefontein Mining Right being suspended or canceled.

n) *Artisanal mining*

At the Koffiefontein mine in South Africa, a decision was taken to donate part of the tailings mineral resources for artisanal small scale mining. This followed a process of extensive consultation and cooperation with relevant stakeholders, including the DMRE, as mining sector regulator, the Letsemeng Local Municipality, as elected representatives of the community, and the community itself, with the aim of creating a framework within which ASM could be conducted by community members in a legal and regulated manner. To this end, the Koffiefontein Community Mining Primary Cooperative was officially established and registered as the primary beneficiaries of this project.

3.5 **Williamson**

a) *Introduction*

Williamson, at 146 hectares in size, is one of the world's largest economic kimberlites by surface area. The mine is an open pit operation based on the 146 hectare Mwadui kimberlite pipe, which contains a major Resource of approximately 37.9 Mcts, and despite having been in continuous operation since 1940 until it was placed on care and maintenance in April 2020, the pit is only 105 metres at its deepest point due to the vast size of the deposit. It is a historic source of high value Type II diamonds and fancy pinks. In FY 2019, the Company achieved the highest level of production at the mine in over forty years of just under 400,000 carats.

b) *Ownership*

The Company holds a 75 per cent interest in Williamson with the remaining 25 per cent being owned by the Government of the United Republic of Tanzania.

c) *Geology*

The Mwadui kimberlite pipe was emplaced into Archaean granitic basement and meta-sediments, and it is one of the few kimberlite pipes in production with an almost perfectly preserved example of an infilled kimberlite crater. Many of the kimberlite occurrences in and around the Shinyanga area are characterised by the presence of crater deposits, suggesting that minimal erosion has taken place in this region since the period when the kimberlite was emplaced approximately 60 million years ago. Crater deposits were formed by kimberlitic material and country rock ejected during eruption that have subsequently slumped or have been washed back into the open crater.

The geology of the Mwadui pipe is well known and documented. The geology of the Mwadui deposit consists of a central shale basin, turbidite (or 'Bouma') facies, reworked volcanistic kimberlite deposits, and peripheral granite breccias Primary pyroclastic kimberlite underlies these facies types. Present mining is restricted to the near surface crater infill, which is comprised of resedimented volcaniclastic kimberlite ("**RVK**"), brecciated volcaniclastic kimberlite ("**BVK**") and granite breccia ("**GB**"), turbidite deposits and a central shale basin.

d) *Reserves and Resources of Williamson Mine*

	As of June 30, 2020		
Category	**Gross Tonnes (Millions)**	**Grade (cpht)**	**Contained Diamonds (Mcts)**
Reserves[(1)]			
Proved	—	—	—
Probable	52.3	6.9	3.59
Sub-total	**52.3**	**6.9**	**3.59**
Resources[(2)]			
Measured	—	—	—
Indicated	63.4	4.9	3.08
Inferred	958.0	3.6	34.77
Sub-total	**1,021.4**	**3.7**	**37.86**

Notes:

(1) Resource bottom cut-off: 1.15mm.
(2) Reserve bottom cut-off: 1.15mm.
(3) Resource depletions based on June 2020 pit surface, adjusted for the in-pit slump experienced in FY 2020.
(4) Reserves based on mine scheduling in XPAC, including care and maintenance period and adjustments to the mine plan following the in-pit slump.
(5) US$/ct values of 170 to 220 for ROM, based on expected sales values (with reference to FY 2020 sales results and considering the impact of the COVID-19 pandemic on rough diamond prices) and production size frequency distributions.

e) *Mine production*

Williamson is a conventional truck and shovel open pit operation. Blasted ore is loaded onto trucks by excavators, and is then hauled to a classifying section where the undersize fractions are fed into the plant for treatment.

The average mining depth is 80 metres below surface, with the pit being 105 metres deep at its deepest point. Mining takes place mainly within the RVK on the western portion of the pipe. GB, Bouma and BVK are also mined primarily for blending purposes, and an increasing amount of shale is stripped as part of the mining operations. The large, willow nature of the pipe results in a very low stripping ratio of 0.5.

The mine and plant usually operate on a continuous basis, seven days per week and 24 hours per day, with approximately eight hours stoppage for maintenance per week.

Williamson has installed capacity of 12 MVA. Tanesco Limited, a company owned 100 per cent by the Government of Tanzania, is responsible for 98 per cent of the country's electricity supply. Two thirds of Tanzania's installed capacity is hydro-powered. The Tanzanian Government has recently proposed a bill to liberalise the virtual monopoly held by Tanesco. This move is expected to pave the way for electricity trading, both physical and financial, and electricity installation.

f) *Alluvial mining*

There are limited amounts of alluvial gravels at Williamson, and alluvial mining is currently carried out by a contract miner.

g) *Geotechnical considerations*

Sidewalls are generally maintained at an angle between 40º and 45º within the pit due to the clay-rich nature of the RVK, though steeper sidewalls have been left by previous mining activities in the south west edge of the pit within more stable GB and country rock granite. Sidewalls steeper than 45º in areas mined more recently have resulted in sidewall slumping and failure.

In January 2020, the Williamson mine experienced a 1.3 million tonne pit slump at the south western sector, which occurred after a period of heavy rainfall. Most importantly, no one was harmed in the incident. There was also no damage to mining equipment, other than the pit dewatering pump being covered with slumped material. The pit slump continued to subside and push into the south western sector of the pit during the wet season, mixing with and diluting approximately 4.0 million tonnes of ore in the current LOM plan. This is expected to lead to grade volatility and an overall grade decrease of approximately three per cent over the current LOM to 2030. However, there is the potential to increase production above the current rate of 5 to 5.5 Mtpa, which could serve to mitigate the lower grade impact. See paragraph 3.5(j) below of this Part 6 ("*Description of the Group*") for further details. The area affected by the slump is currently stable. Due to prevailing market conditions, Williamson was placed on care and maintenance in April 2020. Williamson remains under care and maintenance and the Company is considering a number of options, both for the business, including resuming mining subject to clarity on the status of the blocked diamond parcel, the progress on the negotiations with the Government, and obtaining local bank financing, as well as for its own stake. Petra is not in a position to provide any financial assistance to the Williamson mine to address its liquidity shortfall unless Board and lender support is obtained.

h) *Mineral processing*

From 2014 to 2017, the Company carried out a substantial rebuild of the existing plant at Williamson, which involved the incorporation of a new autogenous milling section and an additional crusher circuit, and increased throughput from 3 Mtpa to between 5 and 5.5 Mtpa. In FY 2019, the Company achieved the highest level of production at the mine in over forty years of just under 400,000 carats, however the rate decreased to just under 300,000 carats in FY 2020, reflecting the placement of the mine on care and maintenance in April 2020. The optimisation of the processing plant has seen positive improvements in the recovered grade at Williamson from 5.8 cpht in FY 2017 to 7.2 cpht in FY 2020.

i) *Operating review of Williamson Mine (unaudited)*

	Unit	FY 2017	FY 2018	FY 2019	FY 2020	H1 FY 2019	H1 FY 2020	H1 FY 2021
Sales								
Diamonds Sold ·····	Carats	226,110	253,524	402,329	297,245	194,913	194,835	30,339
Average price per carat	US$	258	270	231	177	223	184	150
Revenue ·····	US$m	58.4	68.5	93.0	52.5	43.5	35.9	4.6
ROM production								
Tonnes treated ·····	Tonnes	3,667,781	4,659,563	5,082,319	3,980,438	2,510,451	2,654,906	0
Diamonds produced····	Carats	212,215	328,681	386.016	287,356	208,064	214,888	0
Grade·····	Cpht	5.8	7.0	7.6	7.2	8.3	8.1	0
Alluvial production								
Tonnes treated ·····	Tonnes	403,811	385,721	413,151	302,567	195,557	198,698	0
Diamonds produced····	Carats	12,987	12,421	13,599	10,774	6,357	7,463	0
Grade·····	Cpht	3.2	3.2	3.3	3.6	3.3	3.8	0
Total production								
Tonnes treated ·····	Tonnes	4,071,592	5,045,284	5,493,470	4,283,005	2,706,008	2,853,604	0
Diamonds produced····	Carats	225,202	341,102	399,615	298,130	214,421	222,351	0
Costs								
On-Mine Cash Costs per tonne treated·····	ZAR	11.6	10.7	11.1	10.2	11.6	10.2	n.a.
Capital expenditure								
Expansion capital expenditure·····	US$m	14.1	2.6	0.0	0.0	0.0	0.0	0.0
Sustaining capital expenditure·····	US$m	0.9	2.0	8.6	8.0	3.2	5.7	0.3
Total capital expenditure·····	US$m	15.0	4.6	8.6	8.0	3.2	5.7	0.0

In H1 2021, Williamson's revenue decreased 87% to US$4.6 million (H1 FY 2020: US$35.9 million), with sales limited to some 30kcts carried over from FY 2020, with the mine remaining on care and maintenance throughout the period. The Company remains in discussions with the Government of Tanzania and local advisers in relation to various issues, including the overdue VAT receivables and the blocked parcel, which continues to be recognised as an asset despite the recent press coverage around the nationalisation of the parcel.

j) *Development plan*

The Williamson mine was initially set up by the Group to produce five Mtpa of production but throughput improvements generated by Project 2022 have increased this rate to approximately 5.5 Mtpa. There is the opportunity to increase production beyond these levels, given the expansive orebody, but a future decision would be based on a feasibility study being concluded, as well as the Company's capital allocation strategy.

Waste stripping ratios are determined by the minimum waste required to build 'Fines Residue Deposit Dam' walls with some in pit shaping to maximize grades. The Company will also be carrying out remedial work to address the pit slump that occurred in January 2020. This will require the removal of waste material in the first six months once operations have restarted to establish a new sump. Thereafter, ongoing slope correction in the high risk areas adjacent to the sump will continue. The removal of the waste material and the slope correction activities are therefore planned to form part of

the mine's ongoing mining activities over the LOM and will form part of the planned stay in business expenditure.

FY 2021 capex is guided at approximately US$7 million, assuming production restarts during the second half of FY 2021. FY 2021 capex is primarily related to the ongoing waste removal, commencing the removal of the pit slump material, slimes dam extensions, the completion of the tailings disposal facilities and the preparation of a pit dewatering sump. It also includes 'Stay in Business' capex.

k) *Mine plan*

The Company's current mine plan for Williamson has a life to 2030 in line with the mining license referred to below, but given that the Mwadui kimberlite hosts a major Resource of 37.9 Mcts, there is potential to substantially extend the LOM.

l) *Licenses and permits*

WDL holds a valid and unencumbered special mining license number 216/ 2005 dated May 25, 2005 in respect of property described by co-ordinates in the special mining license located in the Mwadui area in the Shinyanga region, for an area of approximately 29.7 km^2.

The special mining license confers on WDL the exclusive right to mine for diamonds in relation to the license areas until May 24, 2030. The special mining license may be renewed for a further period, not exceeding the estimated life of the remaining orebody, unless WDL is in default, development has not proceeded with reasonable speed, minerals do not remain in reasonable quantities or the mining or environmental plans are not satisfactory.

The special mining license has been issued in accordance with the laws of Tanzania and is subject to such statutory or other legislative requirements as are customary for licenses of this nature. The terms and conditions of the special mining license require that WDL mines in accordance with the approved Mining Plan and approved Environmental Management Plan, take reasonable steps to ensure health and safety and, to the extent reasonably possible, employ Tanzanian citizens.

The Minister for Energy and Minerals has published regulations under the Mining Act of Tanzania to the effect that holders of a special mining license should have a local shareholding of at least 30 per cent of the total issued and paid up shares. The Company is in the process of addressing this requirement with its co-shareholder, the Government of Tanzania, but at this point in time it is unclear how this legislation may be implemented or enforced.

3.6 **Exploration**

The Group is currently looking to divest its exploration assets, in line with the Group's strategy to focus on optimising its producing operations. The Company therefore only assigned a limited budget to its exploration programme in South Africa and Botswana in H1 2021 of US$0.1 million and FY 2020 of US$0.4 million (FY 2019: US$0.4 million).

a) *Botswana*

On July 20, 2020 the Group announced the disposal of 100 per cent of its interest in Sekaka Diamonds Exploration (Pty) Limited ("**Sekaka Diamonds**") to Botswana Diamonds PLC. The assets of Sekaka Diamonds comprised the Group's three existing prospecting licenses in Botswana, including the KX36 project (a 3.5 hectare kimberlite that was newly discovered by the Group in 2010) in addition to a bulk sampling plant. These assets were classified as 'assets held for sale' since June 30, 2018 following the Board's decision to dispose of its exploration assets in Botswana.

The total consideration for the disposal was US$300,000 and the Group is entitled to a five per cent royalty on the sale of diamonds which are commercially produced from any kimberlite falling within the license areas subject to the sale. Botswana Diamonds PLC has the option to buy out the royalty for a cash payment of US$2 million. The consideration is payable in two equal instalments of US$150,000, which shall be paid on or before August 31, 2021 and August 31, 2022 respectively.

The sale was completed on November 27, 2020.

b) *South Africa*

The Group currently holds 984km^2 of exploration licenses in the Northern Cape province of South Africa. Due to current market conditions and the COVID-19 pandemic, exploration activities have been put on hold. The Company is looking to divest of its exploration assets in South Africa when market conditions allow.

3.7 Sales and Marketing

In the ordinary course, the Company sells all rough diamond production by the method of open tender. The Company's South African production is mainly sold at the Johannesburg Bourse (on occasions, production is exported to Antwerp for sale). The process from mine to market, in normal operating conditions, is as follows:

- each individual mine's production is pooled on a weekly basis;
- the diamonds are cleaned and placed into sales assortments according to a number of criteria such as size, colour, clarity and expected value, with certain high value stones sold as single lots;
- individual mine production is kept separate, providing buyers with an additional level of knowledge about the goods they are purchasing based upon each mine's unique diamond characteristics;
- the tender preview then commences, with the Group's premier clients (who generally purchase around 90 per cent of the goods at each tender) invited to view the assortments over a three to five day period;
- the tender commences and lasts between four to six working days, during which participants view the assortments and place a confidential electronic bid on the parcel of their choice;
- at the end of the tender, the results are published and the highest bidder wins the parcel;
- 'exceptional' diamonds are sold via a specific tender process, with the preferred route to market being evaluated on a case by case basis. For example, a special, standalone tender process was held for the five blue diamonds forming the Letlapa Tala Collection, with viewings held in Antwerp, Hong Kong and New York during November 2020. Buyers were given the option to place individual bids for one or more of the diamonds, or to place bids on the whole collection; and
- in certain cases the Group may retain the right to an interest in the sale of an exceptional diamond and the future sale as polished diamonds.

Should the highest bid be below the Group's reserve price, the Group has the option to withdraw the parcel and retain it for sale at a future date. In certain circumstances, the Group can export unsold diamonds to its marketing office in Antwerp for sale.

The Group's Tanzanian production is sold in Antwerp, which remains one of the world's key diamond centres. The diamonds are sorted and sold via open tender in a similar fashion to the process outlined above.

In response to the COVID-19 pandemic, the Company has introduced a flexible sales approach in order to achieve the best possible route to market, subject to prevailing challenging market conditions and the COVID-19 related regulations and restrictions. This saw the Company withhold higher value goods for sale during the March 2020 tender, at which it received highly opportunistic and depressed bidding; these goods were later sold during the June and July tender cycles. Furthermore, the Company has utilised its strong relationships with its client base to make sales of 581.9 kcts in July 2020, mainly through agreements with some of its long-standing customers, bringing the total sales across the South African operations for the June and July tender cycles to US$40.6 million.

The Group's tender sale in September 2020 saw pricing on a like-for-like basis strengthen by approximately 21 per cent in comparison to prices achieved in the March and June sales cycles and the tender sale in October 2020 saw a further approximate two per cent like-for-like price increase. However, prices were still around 10 per cent below pre-COVID-19 levels. As noted above, the Company held a special, standalone tender for

the Letlapa Tala Collection of five blue diamonds which closed on November 24, 2020. The Company took all the steps necessary to ensure maximum exposure to potential buyers of these stones, considering COVID-19 related restrictions including arranging for the diamonds to tour the key diamond centres of Antwerp, Hong Kong and New York so that as many clients as possible could see the diamonds in person. The Letlapa Tala Collection was sold as a suite of stones to a partnership between De Beers and Diacore for a total price of US$40.36 million, payable in cash prior to delivery of the stones. The Company has conducted limited private sales in December 2020 to meet its obligation towards holders of South African Diamonds Beneficiation licenses and held a general sales tender in January and March 2021 in Antwerp. During Q3 FY 2021 pricing on a like-for-like basis returned to pre COVID-19 levels, increasing approximately 12% from the tender prices it achieved during H1 FY 2021. The Company continues to closely monitor the impact of COVID-19 on its clients' ability to attend tenders and will continue its flexible approach in planning its upcoming sales events.

The Company will continue to remain flexible in terms of its approach to diamond sales in order to respond effectively to the latest market conditions.

The Company announced on September 11, 2017 that a parcel of diamonds (71,654.45 carats) from the Williamson mine had been blocked from export to its marketing office in Antwerp. While no member of the Group or its personnel have been charged with any wrongdoing in connection with the above matter and the Group has since this time been given authorisation from the Government of Tanzania to resume diamond exports and sales from Williamson as normal, the parcel of 71,654.45 carats remains blocked for export and there have been media reports suggesting there is the possibility that the Government of Tanzania may seek to nationalise the diamonds. The Directors estimate that the revenue impact on the Company of the blocked parcel is approximately US$12.5 million, which is management's view based on the original valuation of the parcel and the subsequent price movement in the diamond market. The Group remains in regular communication with the Government of Tanzania in order to reach a satisfactory resolution, however there can be no certainty that the parcel will be released for sale, and whilst the Group is not aware of any specific matters, there is no guarantee similar actions will not occur in the future.

Please see paragraph 19 of Part 2 "*Risk Factors*" for further information.

4. About BEE and the Group's BEE Partners

Broad based black economic empowerment is a policy of the South African government aimed at addressing past economic imbalances, stimulating further growth and creating employment. This policy is applied to the mining industry through the MPRDA and the Broad-Based Socio-economic Empowerment Charter for the Mining Charter.

The Mining Charter, which is the main regulatory instrument for BEE in the mining context, required the holder of new order mining rights to achieve historically disadvantaged South African equity ownership of 26 per cent by 2014. In September 2018 the third version of the Mining Charter was published in the Government Gazette extending ownership requirements in regard to newly granted mining rights.

Historically disadvantaged South Africans' participation in terms of Charter 3 extends beyond ownership levels to employment equity, management and procurement spending. In March 2019, the Minerals Council applied for a judicial review of the Mining Charter in accordance with the Promotion of Administrative Justice Act. One of the areas subject to such review is whether the ownership requirements in the Mining Charter would apply to renewals, transfers or amendments of mining rights. No court date has been set yet for any hearings on the merits of this matter and the matter will be considered at the time, and in the event that the Company wishes to renew, transfer or amend any of its mining rights.

BEE in the mining context in terms of the Mining Charter is measured across several categories, including:

- equity ownership;
- management;
- employment equity;
- skills development;

- preferential procurement;
- enterprise development; and
- socio-economic development

The Company has a proactive strategy in place across the Group to foster and encourage BEE and transformation at the ownership and management level, through skills development training, employment equity, procurement and rural development.

The Company's BEE Partners include a commercial BEE Partner (Kago Diamonds) as well as the IPDET. Kago Diamonds and the IPDET own 14 per cent and 12 per cent respectively of the Group's South African mining operations. Kago Diamonds is a consortium of BEE mining companies, namely Sedibeng Mining (47.32% shareholding and 32.43 per cent economic interest), Umnotho weSizwe (23.49% shareholding and 16.10 per cent economic interest), Namoise Mining Proprietary Limited (20.72% shareholding interest and 14.20 per cent), Lexshell 844 Proprietary Limited (7.67% shareholding interest and 5.26 per cent) and Thari Resources Proprietary Limited (0.8% shareholding interest and 0.55 per cent) and the remaining 31.46 per cent economic interest is owned by Petra Diamonds Holdings SA Proprietary Limited through its holding of a special class B shares. In 2009, the Minister of Mineral Resources published the Mining Codes. The purpose of the Mining Codes is to, inter alia: (i) set out administrative principles in order to facilitate the effective implementation of the minerals and mining legislation; and (ii) give effect to the object of developing a code of good practice for the minerals industry in South Africa. The Mining Codes are, however, not being applied by the DMRE owing to the possibility, amongst others, that they could be ultra vires.

The Mining Codes, if applied, permit the holder of a mineral right to adopt a one-time, modified flow-through structure in the measurement of its ownership by historically disadvantaged South Africans, in which up to 49 per cent of the ownership of one of the historically disadvantaged South African holding entities may be held by non-historically disadvantaged South Africans, which can include the mining right holder.

As outlined in paragraph 2.3(e) of Part 3 ("*Consensual Restructuring*"), the Group's arrangements with the BEE Partners will be amended pursuant to the Consensual Restructuring**.**

5. **Business strategy**

Substantial investment in the Group has transformed the production profile of the asset portfolio and positioned the business favorably in a new phase of steady state operations. Therefore, taking into account the lower levels of capital expenditure going forward, the Group's future focus will be on the continued optimisation of operations and the generation of free cash flow in order to maximize value for stakeholders.

Key considerations in the delivery of the Group's strategy are as follows:

a) *Health and Safety*

The health, safety and wellbeing of the Group's workforce remains its top priority and therefore the Group will continue to strive towards reaching its objective of a zero-harm workplace. The Board has signed a health and safety pledge, which was officially launched throughout the Group in Q2 FY 2019.

b) *Project 2022 – embedding a culture of continuous improvement*

Project 2022 was launched in July 2019 with the aim of driving efficiencies and improvements across all aspects of the business with the objective of delivering an initial target of between US$150 million to US$200 million free cash flow over a three year period, with delivery weighted towards FY 2021 and FY 2022, in order to reduce net debt in the Group.

A 'central project team' has been established together with project teams at each of the Group's operations, to ensure that opportunities are captured and delivered to the business.

Project 2022 is a bottom-up assessment of the business. The areas in focus include throughput at all operations (approximately 75 per cent. of the target), cost efficiencies (approximately 10 per cent. of

the target), strategic sourcing (approximately five per cent. of the target) and other initiatives (approximately 10 per cent. of the target), such as the sale of equipment and the resolution of the blocked parcel and VAT receivables in Tanzania.

Project 2022 is now fully operational across the Group and its principles of focused and continuous improvement are being entrenched in the operating model and are becoming part of the culture of the Company.

Work to date has resulted in the implementation of various initiatives which have eliminated or mitigated the impact of bottlenecks in the production processes of the various mines, resulting in the highest volume of ROM tonnes treated, delivering record ROM carats produced, for the nine months to March 31, 2020, prior to the COVID-19 disruptions.

Throughput ideas remain the largest contributor to growing operational cash flow and in March 2021 the Company announced that Cullinan remains on track to deliver its throughput stretch target for FY 2021. Due to reduced throughput at Finsch, Koffiefontein and Williamson, the annualised contribution from throughput initiatives is now expected to be in the region of US$50 million, versus previous expectations of US$70 million.

Project 2022 will capitalize on the advanced nature of the Group's development plans, with the new mining blocks set to benefit from operational efficiencies, driven by optimized ore-handling and processing systems. Owing to the nature of cave mining (as utilised at the Group's underground mines) there is a beneficial impact on production as the projects ramp up to full capacity. The ramp up of tonnages is directly related to an increased number of draw points available to load from, as well as access across a larger footprint of the ore body. Further to this, as draw points mature, the ore fragmentation becomes finer which requires less secondary breaking thus improving the efficiency of loading activities. The production benefit received is therefore both in terms of additional flexibility for volumes mined as well as less variability in recovered grades.

An important aspect of embedding Project 2022 and the new culture of efficiencies within the Group is the 'Organizational Redesign' initiative which is focused on the optimisation of the Company's structure and workforce management in a way that best supports the achievement of the Group's strategy. Implementation of this Organizational Design Review is on track to be completed by the end of Q4 FY 2021 and will result in updated role descriptions providing for clearer line of site and improved accountability.

Finally, a key focus for Project 2022 is on the sustainable optimisation of the Company's cost structure and the Company announced in March 2021 that measures undertaken to drive cost efficiencies are expected to deliver an annualised run rate of US$20 million going in to FY 2022. The decrease of US$2 million in cost efficiencies over previous guidance in H1 FY 2022 relates to higher than anticipated electricity pricing in South Africa, combined with the postponement of some moveable asset sales into FY 2022.

c) *Creation of an optimal capital structure*

The major capital expansion programmes at each of the Group's mines have for the most part been completed, evidenced by a reduction in operational capital expenditure by 68 per cent to US$8.6 million in H1 2021. In response to the impact of COVID-19 on the business, and taking into consideration the ongoing discussions with its various stakeholders in relation to the Group's capital structure, the Group has taken steps to optimize its future capex profile in order to minimize short-term capital requirements and manage its liquidity through the crisis period. This has led to a significantly reduced level of capital provisionally planned for FY 2021 of approximately US$28 million, which has been achieved through some capital savings, but largely deferrals to future periods.

However, the Group's financial position remains highly sensitive to the impact of COVID-19, Rand/US dollar exchange rate, grade and price variability (especially at Cullinan), as well as the outlook for Williamson and the blocked diamond parcel, all of which could impact on the Group's liquidity. For further information, please see paragraphs 3, 5 and 19 of Part 2 ("*Risk Factors*") of this document.

In order to mitigate the impact of the business challenges experienced by the Group, in particular the impact of the COVID-19 pandemic, the Group drew down on each of the Existing RCF and Existing WCF, ZAR400 million and ZAR500 million respectively. This was done in order to secure the short term liquidity of the Group.

As at December 31, 2020, the Group had Consolidated Net Debt of US$700.4 million, due to lower sales and the capitalization of the deferred coupon payments on the Company's US$650 million loan notes of US$47.2 million. The Directors believe that this level of debt is unsustainable and therefore entered into discussions with the Company's financial stakeholders around the Consensual Restructuring to reduce the burden of the Group's debt service obligations on its business. The Directors believe that this is necessary to improve the Group's financial and operational flexibility and to enable the Group to focus on its operational deliverables. Addressing this leverage and establishing an optimal capital structure will enable the Group to capture future organic growth opportunities and reposition the Group as the leading mid-tier diamond producer.

d) *Realising the potential of the Group's portfolio of assets*

The Board will, on an ongoing basis, review the asset portfolio of the business with a view to maximising return on capital and to ensure that all assets are in a position to contribute positive cash flow to the business. The market will be kept informed of developments with regards to this.

In FY 2019, as a result of an impairment review carried out at Cullinan, Finsch, Koffiefontein and Williamson, asset level impairments across the mining operations amounted to US$223.7 million. Whilst the underlying operational plans, costs and capital expenditure assumptions did not materially change compared to earlier reviews, the impairments were largely driven by reduced starting price assumptions for rough diamonds, given weakness in the rough diamond market at the time, and a decision to use a lower real price escalator compared to earlier assumptions. In FY 2020, impairment reviews carried out at Cullinan, Finsch, Koffiefontein and Williamson resulted in further asset level impairments of US$85.5 million, driven by lower diamond prices, as a result of the impact of the COVID-19 pandemic on the diamond market, as well as an increase in the discount rate used for financial evaluation (for further information on impairments, please see paragraph 5d) of this Part 6 ("*Description of the Group*")). Despite these impairments, management's longer term outlook for the diamond market remains robust, as reflected by expectations that the market will normalise by FY 2023 and the Company has therefore assumed long-term escalation of rough diamond pries at 1.8 per cent real term growth from FY 2024 to FY 2030. For further information, please see paragraph 8 of Part 2 ("*Risk Factors*") of this document.

In July 2020, the Company reached agreement to dispose of its exploration assets in Botswana, in line with its focus on optimising performance at its producing assets and with reference to the high level of risk associated with diamond exploration. The sale was completed on November 27, 2020. The Company continues to hold exploration licenses in South Africa but these are classified as 'assets for sale'.

The Company is looking to divest of its exploration assets in South Africa when market conditions allow. Further details are set out in paragraph 3.6 of this Part 6 ("*Description of the Group*").

In both the medium and longer term, there are further production growth and life extension opportunities within the current asset portfolio, particularly at Cullinan and Williamson, due to the significant size of these orebodies. This provides the Company with optionality for future organic growth, but any such decisions will be predicated on the balance of managing the Company's financial position and returns to Shareholders.

e) *Appropriate Board and Management structures*

The Group continues to review its Board, board committee and senior management structures in line with its development from a phase of intensive capital expenditure and expansion to a focus on steady state operations, as well as to address improving diversity at the higher levels of the business.

The nomination committee's three-year succession plan ran until the end of FY 2019. As part of the plan, Varda Shine and Bernard Pryor were appointed as independent Non-Executive Directors with effect from January 1, 2019. Richard Duffy was appointed as Chief Executive Officer with effect from April 1,2019. Peter Hill CBE replaced Adonis Pouroulis as non-executive chairman on March 31, 2020. Improving diversity at the top levels of the business was an integral part of the succession plan and the percentage of females on the Board increased from 22 per cent to 25 per cent in FY 2020. The Group has also recently carried out an organizational restructure. In November 2019, it was announced that the Group had implemented a flatter management structure, with mines now reporting directly to the Chief Executive Officer. As mentioned above, an 'Organizational Redesign', as part of Project 2022, is currently underway to optimize and align operational and group structures.

The Company and the Ad Hoc Committee intend that the existing Directors will remain in office following the implementation of the Consensual Restructuring, save for Alexander Gordon Kelso Hamilton who, as previously announced by the Company, will retire from the Board at the conclusion of the FY 2021 annual general meeting. In addition, it has been agreed that certain Noteholders, in their capacity as Shareholders after the successful implementation of the Consensual Restructuring, will be entitled to a Nomination Right. Following the completion of the Consensual Restructuring, Mr Matthew Glowasky has been appointed as a Non-Executive Director of the Company.

f) *Environmental, social and governance*

The Group intends to continue to develop leading practices in the areas of environmental, social and governance, recognising the importance of responsible business practices and the role that the private sector can play in terms of a positive impact on its local communities and other stakeholders. This is particularly the case for the Group's operations, given their location in areas of South Africa and Tanzania where the Group can continue to actively contribute to socio-economic development. The Group believes that making a difference is a core part of its purpose as a business, and forms part of its commitment to uphold the value placed upon its precious product.

Recent claims alleging human rights violations at the Group's Williamson mine are being taken extremely seriously by the Board. The Group has formed a sub-committee of the Board formed entirely of independent Non-Executive Directors, the Tunajali Committee, with responsibility for evaluating the allegations. This committee has initiated an investigation into the human rights allegations, which is being carried out by a specialist external adviser in conjunction with the Company's lawyers. The Company intends to provide its feedback on the Company's conclusions and next steps in due course. A number of measures have also been implemented by Williamson Diamonds Limited, the operator of the mine, at the site in order to review current systems and procedures and improve engagement with its communities.

Further detail regarding the Group's approach to sustainability and social responsibility is set out in paragraph 9 of this Part 6 ("*Description of the Group*").

g) *Upholding the value of natural diamonds*

Finally, the Group is committed to highlighting the responsibility and transparency within the industry, thereby promoting sustainable long-term demand and protecting the value of diamonds. The Group is partnering with Harvard on a study to better understand the origin of Type II diamonds and has a collaboration with Boodles which highlights the heritage of Cullinan and the provenance of its diamonds.

The Group also seeks to actively influence consumer demand via its role as a founding member of the NDC, an industry organization which aims to advance the integrity and reputation of the modern diamond industry and inspire, educate and protect the consumer. The NDC's members are fully committed to supporting the sustainable development of communities, diamond-producing countries and the diamond sector from mine to market. Importantly, the NDC also assigns a significant budget annually to generic diamond marketing in the key markets of the United States, China, India and Europe. The NDC recently itself underwent a rebranding (from its prior incarnation as the Diamond Producers Association) and launched its first major advertising campaign as the NDC in September 2020.

Given the positive long-term outlook for the Group's industry, which is characterised by constrained and falling supply and the potential for continued demand growth in both mature and emerging markets, the execution of our business strategy is expected to place the Company in a strong position to fulfil its vision to be a world-class diamond company to the benefit of all its stakeholders.

6. Reserves and Resources

The following table summarises the Group's Reserves and Resources as of June 30, 2020:

Category	Tonnes (Millions)	Grade (cpht)	Contained Diamonds (Mcts)
Reserves			
Proved	—	—	—
Probable	131.4	29.6	38.86
Sub-total	**131.4**	**29.6**	**38.86**
Resources			
Measured	—	—	—
Indicated	354.2	46.8	165.64
Inferred	1,295.5	6.0	77.87
Sub-total	**1,649.6**	**14.8**	**243.51**

As at June 30, 2020 the Group's gross Diamond Resources (inclusive of Reserves) decreased two per cent to 243.51 Mcts (June 30, 2019: 248.15 Mcts), predominantly due to the finalisation of a new Resource model at Cullinan, which includes all outstanding sampling information from the recently completed C-Cut block cave development, the removal of the Eskom Tailings Mineral Resource at Koffiefontein following the transfer of ownership to the Koffiefontein Community Mining Primary Cooperative, as well as depletions at all mining assets further to ore mined in FY 2020.

The Group's gross Diamond Reserves decreased nine per cent to 38.86 Mcts as at June 30, 2020 (December 31, 2019: 42.51 Mcts) primarily due to mining depletions, and the impact on the remaining Reserves at Williamson following the pit slump experienced during FY 2020.

7. Employees

The table below shows the total number of employees (including Non-Executive Directors) and permanent contractors within the Company as of the dates indicated.

	As of June 30		
	2018	**2019**	**2020**
Employees	5,502	3,833	3,703
Contractors	3,984	2,955	1,323
Total	9,486	6,788	5,026

The Group believes that it has satisfactory working relationships with its employees and has not experienced any significant recent labor disputes or work stoppages.

8. Licensing and permits

There are a host of licenses, authorisations and permits that need to be in place at the Group's operations, particularly from an environmental, health and safety perspective. The need for, and periods of validity of, such permits is monitored on an ongoing basis at the operations and there is continual interaction with the authorities in this regard.

8.1 Water use licenses

In South Africa, all of the Group's mining operations recently carried out the required integrated water use license applications process as per the National Water Act No. 36 of 1998 and have since been awarded up to date water use licenses by the South African Department of Water and Sanitation.

The operation in Tanzania is in possession of the water use permits required under the relevant legislation (Water Resources Management Act, 11 of 2009).

8.2 Environmental incidents

The Group aims to minimize environmental incidents at all of its operations and has put in place processes to manage any incidents that do occur, as effectively as possible. The Group classifies incidents according to their severity, ranging from minor to major.

In South Africa, incidents are recorded and managed in a health, safety and environment database called IsoMetrix on an ongoing basis and are only recorded as closed once all allocated actions have been addressed and the effectiveness of the corrective actions have been verified.

In Tanzania, Williamson has a documented system in place where the Environmental Officer on site records any reported incidents and is responsible for ensuring that appropriate corrective action is taken when necessary.

For the past ten years, no 'high' or 'major' environmental incidents have been reported at any of the Group's operations. The following significant (classified within the "medium" category) environmental incidents for the past three years took place in respect of the Group's operations: during FY 2020 three significant incidents, FY 2019 three significant incidents and FY 2018 ten significant incidents occurred. These were reported and appropriate remedial action was taken timeously in order to minimize some or all of the environmental impact that may have been caused.

No fines have been issued to the Group for environmental infringements from FY 2014 to date.

8.3 Rehabilitation provisions

Of the approximately 5,389 hectares of land disturbed by the Group's operations, 124 hectares are undergoing rehabilitation and a further 696 hectares are deemed to have already been rehabilitated. All the South African operations have annual rehabilitation plans as well as a statutorily mandated LOM closure plan. The Group's Tanzanian operations have a rehabilitation strategy procedure as well as rehabilitation sign off criteria. The

South African operations update the annual environmental closure liabilities in line with the requirements of the DMRE guidelines. A closure plan for Williamson is also in place.

Financial provision is the estimated cost of the environmental rehabilitation at each site, which is based on current legal requirements, existing technology and the Group's planned rehabilitation strategy.

The Group estimated, as of December 31, 2020, the rehabilitation liability at each South African mine (on a premature, or immediate, closure basis) as follows:

- Cullinan - US$21.7 million;
- Finsch - US$24.7 million; and
- Koffiefontein - US$7.6 million.

The total estimated rehabilitation costs at the South African operations as of December 31, 2020 are US$54.0 million.

The Group is required to have financial provisioning in place in respect of these rehabilitation liabilities and has done so through Guardrisk guarantees. The Guardrisk guarantees have been provided to, and are issued in favor of, the DMRE in the following amounts:

- Cullinan - US$20.1 million;
- Finsch - US$21.0 million; and
- Koffiefontein - US$4.1 million.

The total of the Guardrisk guarantees at the South African operations are US$45.2 million

The amounts of the rehabilitation costs and Guardrisk guarantees represent liability in the event of a premature closure of the operations concerned, which is less than will be the case in the event of an ongoing, concurrent rehabilitation as contemplated in the relevant environmental management programmes over the entire LOM.

At Williamson, the rehabilitation liability as of December 31, 2020 amounts to US$6.9 million but the Guardrisk guarantee has not been finalized yet with the Government of Tanzania.

On May 17, 2019, the Department of Environmental Affairs released for public comment the 'Proposed Regulations Pertaining to Financial Provisioning for the Rehabilitation and Remediation of Environmental Damage Caused by Reconnaissance, Prospecting, Exploration, Mining or Production Operations, in terms of the National Environmental Management Act 107 of 1998' (the "**Proposed Financial Provisioning Regulations**"). Once finalized, the Proposed Financial Provisioning Regulations will replace the current Financial Provisioning Regulations 2015 in their entirety. There is still uncertainty as to when the Proposed Financial Provisioning Regulations will take effect, whether they will be amended following the public review and how they will affect liability calculations. It is currently anticipated that the Proposed Financial Provisioning Regulations may be amended in February 2021, with implementation potentially scheduled for June 2021, although there is no certainty regarding this timeframe. The Group will amend the liability calculations (as set out above) once the Proposed Financial Provisioning Regulations are finalized and the Group will also finalize action plans to provide any anticipated shortfalls at that stage. The Company currently estimates that the total liability for the South African operations may be increased by ZAR49.5 million (approximately US$3.2 million) from the currently provided Guardrisk guarantees, but this remains uncertain.

9. Sustainability and social responsibility

Sustainability and social responsibility is important to the Group and is integral to the way it structures and operates its mining, development and exploration projects. As at June 30, 2020, the Group employed more than 5,000 people (employees and contractors) in South Africa and Tanzania, and as such is a significant employer in Africa. The Group therefore aims to have a positive impact on the lives of its workforce and its surrounding communities by actively contributing to socio-economic development, based on the priorities of its local operating environment.

The Group structures and plans its operations to ensure that all stakeholders receive maximum benefit from the Group's presence. This approach aims to ensure long-term sustainable operations by focusing on five core sustainability objectives:

(1) to ensure that everyone works safely, in a "zero harm" environment;

(2) to ensure that the Group works in harmony with its natural environment and manages resources appropriately;

(3) to ensure that the Group has sustainable relationships with all of the communities in which the Company operates;

(4) to ensure that the Group complies with relevant legislation in order to maintain the Company's license to operate; and

(5) to structure and implement all projects and practices with the long-term success of the Group in mind, to the benefit of all stakeholders.

Tailings at the Group's mining operations may present a risk to the environment, property and persons. The Group has made available mandatory 'Codes of Practice' for all residue deposits at the South African mines as required by, and according to guidelines from, the DMRE and has developed and implemented operating practices at the Williamson mine similar to those required pursuant to the 'Codes of Practice'. In addition to internal compliance, assurance and performance audits, third party professional engineers, together with mine geotechnical engineers, are appointed by the Group to oversee and provide assurance on the design and operational standards of the tailings facilities through quarterly inspections. Furthermore, annual external audits are conducted in accordance with management standards and ad hoc inspections are carried out by the regulator. Important parameters that are being recorded, documented and managed include the overall condition of side slopes, benches and basin, drain flow records, deposition rates and corresponding rate of rise, freeboard, the phreatic surface level, structural integrity of the penstocks, pool size and location, impact on surrounding environment and potential zone of influence.

The COVID-19 pandemic poses a significant risk to the health and safety of the Group's workforce. Whilst the majority of those who contract the virus may be asymptomatic or may only experience mild symptoms, a number of people (especially those with comorbidities) may become seriously ill or the virus may prove fatal. Whilst the Group has implemented systems and strategies aiming to prevent and/or contain the spread of the virus at its operations, the widespread prevalence and highly infectious nature of the virus has meant that 340 employees have been confirmed COVID-19 positive at the South African operations as at 16 April 2021, and of these 338 have recovered in full. Although the majority of those affected are only experiencing mild symptoms, the Company has tragically lost six colleagues as a result of COVID-19 as at 16 April 2021.

9.1 **HSE Committee**

The Group's HSE committee is responsible for the health, safety and environmental policy of the Group, and compliance with that policy within the Group. The role and purpose of the HSE committee is to assist the Board in discharging its oversight responsibilities relating to health, safety and environmental matters and to ensure the company upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner.

9.2 **SED Committee**

The Group's SED

committee oversees the Group's social, ethics and diversity systems and policies and the monitoring of compliance. The role and purpose of the SED committee is to oversee the Company's social, ethics and diversity strategy and monitor performance as well as advise on the Company's approach to stakeholder engagement, with regards to social matters, business ethics and diversity (with its different interpretations and connotations in the jurisdictions in which the Group operates).

9.3 **Occupational health and safety**

The Group places the health and safety of employees at the core of all of its activities. Health and safety committees, comprising management and employee representatives, are in place at all operations. The activities of these committees are governed by collective agreements aligned with legislation. This is in accordance with the Mine Health and Safety Act No. 29 of 1996 of South Africa and The Mining Act No. 14 of 2010, the Occupational Health, Safety and Environmental Protection Regulations (2010) (South Africa) and The Occupational Health and Safety Act and its Regulations, No. 04 of 2003 of Tanzania.

The Group has various strategies and a Health and Safety Management System, supported by standards, codes of practice, policy, procedures and directives; implemented, maintained and enforced to prevent occupational disease, injuries or losses. Emphasis is placed on risk-based health, safety and environment training supported by various awareness campaigns.

The Company encourages the active participation of employees and their representatives in health and safety aspects by means of the HSE committee structures.

The Group follows an ISO 31000 compliant operational risk-based management approach which entails continual hazard identification, risk assessment and instilling a health and safety conscious work culture and awareness into the workplace using the "**PDCA**" system.

The Group's principal safety risks relate to trackless mobile machinery, electrical switching, supported and suspended loads, underground flooding, mud and fall of ground.

The root cause of the majority of accidents remains breaches in safety rules and non-conformance to work procedures. The remedial process is focused on retraining, improving first line supervision and enforcement of existing controls.

The Group's health and safety management system is based on the ISO 31000 risk management principles and implemented using the OSHAS 18001:2007 system that requires health and safety to be fully integrated into all activities. Third party certification measures provide assurance on enhancement of performance, compliance, continual improvement and achievement of the Company's stated health and safety objectives. All of the Group's underground pipe mines maintained their OHSAS 18001:2007 third party certification in FY 2017. The Williamson mine has not been subject to formal certification, but its processes and systems are aligned with such international standards. A transition process is scheduled over the period 2019-2020 for all operations to migrate from the OHSAS 18001:2007 system to the newly promulgated ISO 45001:2018 standard.

In H1 2021, the Group reported an increased LTIFR of 0.50 (H1 2020: 0.22 and FY 2020: 0.29). The Group recorded 19 lost time injuries in FY 2020 (FY 2019: 16), 11 of which were at Finsch where the majority of the accidents in H1 FY 2021 continued to be behavioural in nature. Considerable focus is being placed on reinforcing safe behaviour and continuous improvement in striving for a zero harm working environment through management intervention, including in-shift safety stops, visible-felt leadership and management walkabouts, safety discipline enforcement and safety inspection processes. The total number of injuries (including lost time injuries) reported by the Group in H1 2021 decreased 21 per cent to 19 compared to H1 2020 (24 total number of injuries). For the third year running, the Group recorded no fatalities during H1 2021.

9.4 **HIV/AIDS**

HIV/AIDS remains a significant area of focus in the Group's countries of operation. While this is not an occupational illness, it can have a significant impact on employee health and productivity and on the communities in which the Group operates. The Group's programmes are mainly preventative in nature, with a strong focus on creating awareness with several peer education training and safety awareness programmes in place. In FY 2020, 100 per cent of the Group's employees were offered voluntary testing for HIV/AIDS.

9.5 **Labor relations**

Labor relations in South Africa have been under the spotlight in recent years due to the protracted industrial action experienced particularly by the gold and platinum sectors. In contrast, the Group has generally maintained a track record of stable relationships with its workforce, due to the following factors:

- Its diamond mining operations are less labor intensive and require a more highly skilled workforce (43 per cent of the Group's workforce is skilled and 57 per cent semi-skilled) in comparison to platinum and gold mining companies. Given the mechanised nature of the mines, operating conditions underground are good.

- It uses fewer migrant workers than other mining groups in South Africa. The Company prioritizes recruitment from the areas local to its operations. However, skills shortages in the local communities are often a reality when recruiting for skilled positions. For this reason, vacancies for positions in the skilled bands are also advertised regionally or nationally, whereas all unskilled and semi-skilled positions are advertised locally only. Preference will still be given to local applicants whenever possible.

- It maintains a high level of focus on employee communications, with frequent and transparent communication with employees and employee representatives such as unions via a range of methods.

- Labor relations were stable in H1 2021, with no industrial action taking place. The Group's three-year wage agreement with the National Union of Mineworkers came to an end on June 30, 2020 and the Company and NUM subsequently entered into a new negotiation period. In October 2020, the Company announced that it had agreed a new one-year wage agreement with NUM covering employees graded in the A and B Paterson Bands of its South African operations. The Group remains highly focused on managing labor relations and on maintaining open and effective communication channels with its employees and the appropriate union representatives at its operations.

- It has put in place a supportive BEE ownership structure, with the employees via the IPDET owning a 12 per cent shareholding interest in the operating mines.

- The IPDET has commenced distributions to its beneficiaries and has made the following payments:

    i) First payment of ZAR12,500 per employee paid in December 2014 (representing approximately 30 per cent and up to 120 per cent of the monthly salary for skilled and semi-skilled employees respectively);

    ii) Second payment of ZAR15,000 per employee paid in December 2015;

    iii) Third payment of ZAR18,000 per employee paid in December 2016;

    iv) Fourth payment of ZAR6,000 per employee paid in December 2017;

    v) Fifth payment of ZAR7,500 per employee paid in December 2018;

    vi) Sixth payment of ZAR5,000 per employee paid in December 2019; and

    vii) Seventh payment of ZAR 5,000 per employee in December 2020.

9.6 **Developing the Group's people**

In keeping with Group's core value of 'Let's take control', the Group believes that employees who are empowered and accountable for their actions work to the best of their ability. The Group has therefore fostered a culture whereby innovation and creativity in the workplace is encouraged and rewarded.

Group-wide human resources policies covering most aspects of employment and employee development are supplemented at an operational level to ensure they are applicable within the local context of each mine, thereby ensuring a well-regulated human resources environment. These documents are supported by the

Group's Code of Ethical Conduct, its Human Rights Policy and other Group-level initiatives, which reinforce the Group's existing commitment to the fair treatment and sustainable development of its workforce.

In FY 2020, the Group's training spend amounted to approximately US$5.8 million, with the main areas of expenditure being in-house technical training, outsourced training to specialist accredited external training providers, engineering and rock-breaking learnerships, internships, bursary scheme, school support projects and centralised leadership and management development programmes as well as leadership coaching.

9.7 **Community development**

The Group's mission is to unlock value for all its stakeholders, of which the Company's local communities are considered to be one of the most important. Relationships with the Group's local communities are not only important in securing support for the Group's activities and maintaining its social license to operate, but also vital for ensuring that the Group's operations add real and lasting value to society. Over the years, the Group has developed a range of social initiatives which continue to make a meaningful impact upon the lives of employees and surrounding communities, and follows a holistic approach to sustainable development, via educational programmes and skills transfer, to ensure a lasting legacy.

The Group is committed to identifying sustainable projects in conjunction with local communities themselves, as well as local authorities, and is involved in a wide range of corporate social investment and local economic development programmes. The objectives of these programmes are poverty alleviation, job creation, skills development and participation in the communities in which the Group operates.

The Group's community development efforts are therefore focused on: sustainable job creation; poverty alleviation; education and skills transfer; and enterprise development. Outside of formally committed expenditure (which is agreed as per the Group's 'Social and Labor Plans' in South Africa), the Group provides further discretionary social expenditure.

The Petra Foundation was formally established and registered as a non-profit organization in FY 2016. The purpose of the foundation is to attract funding from the Group's large suppliers, contractors and multi-nationals, as well as securing other contributions. These funds are then used for community projects adjacent to the Group's operations, which meet the criteria of the foundation's Memorandum of Incorporation.

In FY 2020 the Group's total social investment spend increased 40 per cent to US$1.4 million due to the completion of a number of community projects in South Africa. The Group's economic impacts

Taxes and royalties make a significant contribution to the countries in which the Group operates. The Group supports the principles of the 'Extractive Industries Transparency Initiative' and 'Publish What You Pay', given that publishing details of the Company's tax payments to Governments can help improve community support for its activities.

In FY 2020 the Group paid a total of US$19.7 million in taxes and royalties. It should be noted that the Group's operations are currently subject to varying levels of tax shields, due to the significant level of investment being spent by the Group at each asset. As the capital expenditure phase starts to wind down, payments of taxes and royalties are due to rise considerably, in line with the profitability of each operation.

The Group spent US$117.8 million on wages and other benefits in FY 2020 compared to US$143.2 million in FY 2019. The 'multiplier effect' which can be applied in Africa means that whilst, as at the end of FY 2020, the Group employed 3,703 permanent employees and 1,323 contractors, a significantly larger number of people are to a greater or lesser extent dependent on the Group's operations. In line with the Group's commitment to support local economic development, the Group's operations aim to use local suppliers for goods and services where possible.

9.8 **Upholding the value of diamonds**

The Group is committed to upholding the high value placed on natural diamonds, which are given to celebrate life's most special moments and are considered as prized possessions.

The Group ensures that every aspect of its business is managed and run in keeping with its values, as well as with the value placed upon its product. As such, the Group monitors and manages each step in the diamond

production process to high ethical standards: from exploration, development and mining, through to processing and sorting, and finally marketing and sale.

The Group will only mine diamonds in countries which are members of the Kimberley Process and only sells diamonds from known sources, thereby providing assurance that 100 per cent of its production is certified as 'conflict-free'.

The NDC also works to maintain and enhance consumer demand for, and confidence in diamonds. By promoting the integrity and reputation of diamonds and the diamond industry, the NDC will play a central role in ensuring the long term sustainability of the sector. The NDC's mission is to protect and promote the integrity and reputation of diamonds, thereby ensuring the sustainability of the diamond industry.

9.9 **Protecting human rights**

The Group is committed to the responsible development of its assets to the benefit of all stakeholders and we conduct our business in a manner that respects the human rights and dignity of all people. This commitment is based on the belief that business should be conducted honestly, fairly and legally, as set out in the Group's human rights policy.

Whereas the state is responsible for the protection, promotion and fulfilment of human rights, companies have a critical role in respecting these rights and dealing proactively with potential and actual infringements.

The Group recognizes its responsibility to respect the human rights of all individuals within any area on which the Group has an impact or influence and not only within the Company's operational areas. The Group understands how its operations can negatively affect human rights and it is committed to addressing adverse human right impacts.

The Group's commitment includes recognising all applicable international sources of human rights but particularly the International Bill of Rights (which includes the Universal Declaration of Human Rights), the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.

In ensuring respect for human rights the Group pledges to:

- welcome diversity and treat all people equally, without discrimination;
- respect the resources, values, traditions and cultures of local and indigenous communities;
- deal respectfully with issues of access to land;
- mitigate environmental impacts, including access to clean water;
- avoid damaging, as far as possible, the right to livelihoods, including those whose livelihoods have historically been reliant on artisanal mining;
- operate with respect for human rights in post-conflict and weak governance zones;
- ensure respect for human rights in deployment of security forces; and
- have consideration for societies most marginalised individuals and groups.

The Group seeks to ensure that stakeholders who are, or could be, affected by its activities have access to grievance mechanisms that are legitimate, accessible, timely, equitable and transparent and are aligned to globally accepted best practices, as set out in the International Finance Corporation guidelines for grievance mechanisms and dispute resolutions. The approach to resolving disputes and grievances is based on respect, engagement and dialogue with the stakeholders and communities who are affected by the Group or who affect the Group's operations. All employees, contractors, suppliers or community members are encouraged to use these grievance mechanisms to report any infringement of human rights to the Company.

The process of ensuring human rights shall include assessing actual and potential human right impacts, integrating and acting upon the findings, tracking outcomes, and communicating how impacts have been addressed.

Recent claims alleging human rights violations at the Group's Williamson mine are being taken very seriously. The Group has formed a sub-committee of the Board, the Tunajali Committee, formed entirely of independent Non-Executive Directors with responsibility for evaluating the allegations. This committee has initiated an investigation into the human rights allegations, which is being carried out by a specialist external adviser in conjunction with the Company's lawyers. The Company intends to provide its feedback on the Company's conclusions and next steps in due course. A number of measures have also been implemented by Williamson Diamonds Limited, the operator of the mine, at the site in order to review current systems and procedures and improve engagement with its communities.

9.10 **Encouraging diversity**

The Group recognizes diversity, encompassing people from a range of backgrounds, skills and perspectives, as a moral and business imperative, due to the benefits that well-managed diversity brings to all levels of an organization. Reflecting this recognition, the Group has a policy of zero tolerance towards discrimination in respect of factors such as gender, race, ethnic origin, color, nationality, marital status, disability, religion and sexual orientation.

From a regulatory perspective, established and functional employment equity committees are in place at all of The Group's South African mines in accordance with the Employment Equity Act, with membership drawn from employer and employee representatives. These committees monitor the implementation of Employment Equity Plans, which detail the identified barriers to equitable employment and specify affirmative measures to be implemented by each operation.

Whilst not subject to the same regulation and legislation as the South African operations, Williamson in Tanzania has a policy to promote equal opportunity and to eliminate discrimination in the workplace. Williamson also applies affirmative action measures consistent with the promotion of women in mining, particularly during the recruitment process.

The Group has procedures in place to ensure that cases related to discrimination can be reported appropriately.

As of June 30 2020, the number of women as a percentage of the Group's workforce remained flat at 19 per cent, the percentage of female senior managers was 11 per cent (up from six per cent as at June 30, 2019), and the percentage of females at management level was 22 per cent (up from 19 per cent as at December 31, 2019).

The Group has a number of initiatives aimed at developing women into managerial positions, such as the Leadership Development Programme, which has since its inception focused on the advancement of women (38 per cent of participants are female). The Group is also focused on affording women an equal role as part of the next generation of employees, and as a result 30 per cent of its interns, 34 per cent of its engineering learnerships, 34 per cent of its mining learnerships, 60 per cent of its bursars and 67 per cent of employees attending Management Development Programmes in FY 2020 were female.

9.11 **Legal Matters**

From time to time, the Group is involved in claims, suits, investigations and proceedings arising in the ordinary course of business. Save as disclosed in this paragraph 9.11, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had during the 12 months prior to the date of this document, a significant effect on the Company and/or the Group's financial position or profitability.

a) *Blocked parcel of diamonds from the Williamson mine*

A parcel of diamonds (71,654.45 carats) from the Williamson mine has been detained and blocked from export by the Government of Tanzania since September 2017. The provisional value assigned to the blocked parcel by TANSORT, the Diamond and Gemstones valuation unit of the Government

of Tanzania, was US$14.8 million, however the Company has not had the parcel independently valued. The Directors estimate that the revenue impact on the Company of the blocked parcel is approximately US$12.5 million, which is management's view based on the original valuation of the parcel and the subsequent price movement in the diamond market.

The basis for this action has still not been formally made known to the Company; however, media reports suggested the Government of Tanzania's concern about the potential under-valuation of diamond parcels prior to export and the impact this could have on royalty payments. In response to this speculation, the Company publicly confirmed that all operations at Williamson, including the export and sales processes, are conducted in a transparent manner and in full compliance with both the legislation in Tanzania and the Kimberley Process.

The Company remains in regular communication with the Government of Tanzania in order to reach a satisfactory resolution. The Directors remain hopeful that the parcel will be released by the Government of Tanzania and will be available for future sale, however there have been media reports suggesting there is the possibility that the Government of Tanzania may seek to nationalise the diamonds. The Company has received communication from the Government of Tanzania that this will be dealt with as part of ongoing discussions with the Government. Engagement generally with the Government of Tanzania has been impacted by the COVID-19 pandemic, as well as the Tanzanian elections in October 2020.

b) *VAT receivables held by the Group that remain due and outstanding by the tax authorities in Tanzania*

The Group has VAT receivables of US$10.6 million (June 30, 2020: US$10.3 million and December 31, 2019: US$13.5 million) in respect of the Williamson mine, all of which are past due and have therefore been classified, after providing for a time-value of money provision inclusive of risk adjustments for various factors, as non-current given the potential delays in receipt. Of the total VAT receivables, US$13.0 million (June 30, 2020: US$13.0 million and December 31, 2019: US$13.8 million) relates to historic VAT pre July 2017. The assessment of the carrying value of the VAT receivables under the historic VAT legislation required significant judgement over the timing of future payments, progress and finalization of VAT audits, ongoing discussions with the relevant authorities in Tanzania and the wider operating environment.

c) *Claim forms issued by Leigh Day in the English High Court*

During May 2020, the law firm Leigh Day notified the Company and Williamson Diamonds Limited by letter that it had issued protective claim forms (for limitation purposes) in the English High Court on behalf of 32 claimants, concerning allegations that the claimants suffered personal injury inflicted by Williamson Diamonds Limited's security employees and contractors. In four instances, it is alleged that the injuries have resulted in the death of the relevant individual. One of the claimants will bring an additional claim on behalf of his son who is alleged to have been killed by Williamson Diamonds Limited's security. The precise details of each alleged incident are brief. The claimants who have issued protective claim forms have also obtained an anonymity order and as such, their identities have not been disclosed.

The claims filed by Leigh Day have not been served on either The Group or Williamson Diamonds Limited. In its letter before claim, Leigh Day has expressed an interest in alternative dispute resolution methods, including mediation. Responses have been provided to the claimants' lawyers in accordance with the relevant pre-action procedures of the English court. The amount of damages sought is not yet quantified. It is stated that the claimants have suffered loss and damage including personal injuries and death, consequential losses including loss of earnings and medical expenses, pain and suffering and/or loss of amenity. They will also seek aggravated or exemplary damages in accordance with Tanzanian law. In correspondence, the claimants' lawyers have indicated that the damages claimed could be in the order of £5 million (exclusive of legal costs). Whilst the claims could result in the Company being liable to pay financial damages to the claimants, the likelihood of a payment being required, and if so its amount, is not yet possible to gauge.

In addition, the Company received correspondence from UK-based NGO RAID regarding similar allegations raised by local residents and others relating to actions by Williamson Diamonds Limited, its security contractor and others linked to Williamson Diamonds Limited. The Group has also publicly acknowledged the report published in November 2020 by RAID entitled 'The Deadly Cost of Ethical Diamonds' which identifies a number of alleged human rights violations relating to the security operations of the Williamson mine in Tanzania, which are managed by Williamson Diamonds Limited, a third party security contractor and the local Tanzanian police force. The Group is engaging and co-operating with RAID in order to address the allegations raised.

The Group takes these allegations extremely seriously. The Group has formed a sub-committee of the Board, the Tunajali Committee, formed entirely of independent Non-Executive Directors with responsibility for evaluating the allegations. This committee has initiated an investigation into the human rights allegations, which is being carried out by a specialist external adviser in conjunction with the Company's lawyers. The Company intends to provide its feedback on the Company's conclusions and next steps in due course.

10. Regulatory environment

There have been no material changes in the Company's regulatory environment since the period covered by the latest published audited financial statements.

11. Capitalization and indebtedness

The following tables show the Group's indebtedness as at December 31, 2020 and its capitalization as at December 31, 2020.

	US$ million
Indebtedness[(1)]	
Current debt (including current proportion of non-current debt)	
Guaranteed[(2)]	47.2
Secured[(3)]	763.2
Unguaranteed/unsecured	
Total current debt	810.4
Non-current debt (excluding current proportion of non-current debt)	
Guaranteed	
Secured	
Unguaranteed/unsecured	
Total non-current debt (excluding current portion of non-current debt)	
Total indebtedness as at November 30, 2020	810.4

Notes:

(1) This statement of indebtedness, which is unaudited, has been extracted without material adjustment from the Group's unaudited underlying account records as at December 31, 2020 and prepared under IFRS as adopted by the European Union using policies which are consistent with those used in preparing the Group's audited consolidated financial statements in respect of FY 2020.

(2) Guaranteed debt comprising of the Existing BEE Facilities.

(3) Secured debt comprising of the Existing WCF of US$34.0 million, the Existing RCF of US$27.2 million and the Notes of US$702.0 million.

(4) Capitalization and indebtedness does not include the fair value of its foreign exchange contracts.

	US$ million
Capitalisation[(1)(2)]	
Share capital	133.4
Legal reserves[(3)]	790.2
Other reserves[(4)]	1.5
Total capitalisation as at December 31, 2020	**925.1**

Notes:

(1) This statement of capitalisation has been extracted without material adjustment from the Group's unaudited underlying account records as at December 31, 2020 and prepared under IFRS as adopted by the European Union using policies which are consistent with those used in preparing the Group's audited consolidated financial statements in respect of FY 2020.
(2) Capitalisation excludes accumulated losses, foreign currency translation reserve and other reserves.
(3) Legal reserves comprise the share premium account.
(4) Other reserves comprise the share-based payment reserve.

There has been no material change to the Group's total indebtedness since December 31, 2020 or to the Group's total capitalization since December 31, 2020.

The following table sets out the Group's net financial indebtedness as at December 31, 2020

	US$ million
Net-financial indebtedness[(1)]	
Cash	92.4
Cash equivalents	13.9
Trading securities	-
Liquidity	106.3
Current financial receivable	**-**
Current bank debt	108.4
Current portion of non-current debt	-
Other current financial debt	702.0
Current financial debt	**810.4**
Net current financial indebtedness	**704.1**
Non-current bank loans	-
Bonds issued	-
Other non-current loans	-
Non-current financial indebtedness	**-**
Net financial indebtedness	**704.1**

Notes:
(1) This statement of net financial indebtedness, which is unaudited, has been extracted without material adjustment from the Group's unaudited underlying accounting records as at November 30, 2020 and prepared under IFRS as adopted by the European Union using policies which are consistent with those used in preparing the Group's audited consolidated financial statements in respect of FY 2020.

As at the date of this Prospectus, the Group had no indirect or contingent indebtedness.

12. Dividends and dividend policy

The Directors did not recommend a dividend in respect of the years ended June 30, 2018, June 30, 2019 and June 30, 2020. Following the implementation of the Consensual Restructuring, the Company will not be able to pay dividends to Shareholders unless the consent of First Lien Lenders is obtained, and certain conditions set out in the Notes are fulfilled.

The New Ordinary Shares are identical to, and rank *pari passu* with, the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares by reference to a record date on or after the date of admission of the New Ordinary Shares to the premium segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange.

PART 7: DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of the material terms of the Company's principal financing arrangements does not purport to describe all of the applicable terms and conditions of such arrangements, and is qualified in its entirety by reference to the actual underlying documents. For further information regarding the Company's existing indebtedness, see "Description of the Group".

Bank Facilities

New Bank Facilities

The arrangements with the First Lien Lenders include the New Term Loan, New RCF, Ancillary Facilities and Hedging Facilities (the "**New Bank Facilities**").

The tables below reflect the New Bank Facilities.

	Commitment	**Interest and Fees**	**Maturity**
New Term Loan			
Absa Bank Limited, Nedbank Limited, FirstRand Bank Limited and Ninety One SA Proprietary Limited.	ZAR 1,200,483,189.94	Interest rate: JIBAR plus 5.25 per cent. per annum Upfront fee: 1 per cent. (capitalised)	March 9, 2024
New RCF			
Absa Bank Limited, Nedbank Limited and FirstRand Bank Limited	ZAR 560,000,000	Interest rate: JIBAR plus 5.25 per cent. per annum Upfront fee: 1 per cent. (to be capitalised) Commitment fee: 2.1 per cent. on any undrawn commitments	March 9, 2024

Ancillary Facilities	
Guarantee line	ZAR 32 million
Soft lines	ZAR 1,045 million, consisting of: (A) ZAR 100 million electronic transfer line; (B) ZAR 345 million currency transfer line; and (C) ZAR 600 million daylight intraday settlement line, each consistent with the levels prior to the First Lien Amendment Agreement and the operational requirements of the Group going forward.
Hedging Facilities	ZAR 150 million

Description of the New Bank Facilities

Purpose

The Company will be permitted to draw the funds available under:

- the New Term Loan to settle the Existing WCF and the Existing BEE Facilities; and
- the New RCF for working capital purposes and to settle the Existing RCF.

Guarantees

Each of the Guarantors give a joint and several unconditional, on demand and irrevocable guarantee in respect of the obligations of the Company and the other obligors under the New Bank Facilities subject to the limitations described under Part 14 "*Certain Insolvency Law Considerations and Certain Limitations on Guarantees*".

The "**Guarantors**" are the Company; Petra Diamonds UK Treasury Limited; Petra Diamonds Southern Africa Proprietary Limited; Willcroft Company Limited; Blue Diamond Mines Proprietary Limited; Petra Diamonds Holdings SA Proprietary Ltd (formerly known as Luxanio Trading 105 Proprietary Limited); Premier (Transvaal) Diamond Mining Company Proprietary Limited; Finsch Diamond Mine Proprietary Limited; Ealing Management Services Proprietary Limited; Cullinan Diamond Mine Proprietary Limited; Tarorite Proprietary Limited; Petra Diamonds Jersey Treasury Limited; Petra Diamonds Belgium BV; Petra Diamonds Netherlands Treasury BV and Petra Diamonds UK Services Limited.

The Company plans to dissolve Petra Diamonds Jersey Treasury Limited and Petra Diamonds Netherlands Treasury BV in connection with the reorganisation of its treasury management functions.

Security

The New Bank Facilities will be secured by the Collateral that secures the Notes offered on a first priority basis. See Part 8: *"Description of the Notes"*.

Prepayment

The borrowers may prepay a loan made under the New Term Loan or the New RCF, subject to giving five business days' notice to the agent. Voluntary prepayments must be in an amount of a least ZAR10 million (circa $730,000).

Voluntary prepayments should be made together with interest accrued on the amount prepaid and, subject to any break costs, without premium or penalty. Voluntary prepayments made on an interest payment date will be free of breakage costs.

Voluntary prepayments made in respect of the New RCF are available for redraw in accordance with the terms of the New RCF.

Repayment

The Ancillary Facilities are repayable on demand. All outstanding obligations under the pre-settlement facilities must be settled on the same day as they were incurred, failing which they will immediately become due and payable and the relevant bank may refuse the borrower further utilisation of the facility until the overdue amount has been paid.

Covenants

The New Bank Facilities include positive and restrictive covenants and undertakings by the Company and the other obligors and, where expressly identified in the agreements, other subsidiaries of the Company including:

- obtain, comply with, and do all that is necessary to maintain in full force and effect any authorisation required under any applicable law or regulation;
- compliance, in all material respects, with all applicable laws, including with environmental laws;
- pay taxes when due and file by date due all returns, reports and filings in respect of taxes;
- maintain an accounting and control system, management of information system and books of account and other records, which together adequately give a fair and true view of the financial condition of the Company and other obligors;
- maintain at all times a firm of internationally recognised independent public accountants;
- no substantial change is made to the general nature of business;
- insure and keep insured subsidiaries' assets and assets and businesses against all insurable losses, and in respect of Finsch, Cullinan and Blue Diamond, to maintain insurance policies detailed in the New Bank Facilities;
- obtain, maintain and ensure compliance with all environmental permits necessary or desirable for the condition of business;
- implement procedures to monitor compliance with and to prevent liability under environmental law necessary or desirable for conduct of business;
- compliance with financial covenants (being a debt service cover ratio of 1.3:1 and a minimum liquidity requirement of US$ 20 million as detailed below);
- ensure that its payment obligations under the finance documents to which it is a party rank at least *pari passu* in right and priority of payment with all its present and future unsecured and unsubordinated financial indebtedness;
- not declare, pay or make any unpermitted distribution;
- not make unpermitted payments of the Notes or other subordinated debt;
- not allow any expenditures or commitments for expenditures for fixed or other non-current assets in excess of 120% or less than 100% of the expenditure levels specified in the then current agreed capital expenditure budget;
- engage in only permitted acquisitions (including in relation to the incorporation of group companies whose shares become charged in support of the New Bank Facilities);
- only a creditor of financial indebtedness if it is a permitted loan;
- incur, assume or permit only permitted financial indebtedness;
- not enter into any transaction except in the ordinary course of business on the basis of arm's length arrangements;
- create or permit to exist on any of its assets only permitted security;
- no change to constitutional documents where that change has or is reasonably likely to have a material adverse effect or that would be inconsistent with the provisions of the New Bank Facilities;
- no sale, transfer, lease, or disposal of any assets, other than a permitted disposal;
- no violation of sanction laws;
- no adoption of a resolution to approve, undertake or permit any merger, scheme of arrangement, spin-off consolidation or reorganisation except for permitted transactions; and
- enter into only permitted transactions with affiliates.

Under the financial covenants, the Company must, ensure that (i) on each June 30 and December 31 the ratio of consolidated group free cash flow to the debt service on the New Bank Facilities is equal to or above 1.3x until the maturity of the New Bank Facilities and (ii) at all times, the Group maintains a minimum actual and forecasted liquidity of US$20 million where liquidity constitutes available amounts under the New Term Loan, the New RCF and each working capital overdraft facility made available under an Ancillary Facility as well as cash and cash equivalents.

Events of Default

The New Bank Facilities set out certain events of default, the continuing occurrence of which would allow the lenders to accelerate all outstanding loans and cancel the lenders' commitments and/or declare that all or

part of any amounts outstanding are immediately due and payable and/or be payable on demand. The events of default include, among other events and subject in certain cases to grace periods, thresholds and other qualifications:

- failure to pay principal, interest or any other amount payable under the finance documents;
- breach by the Company or other obligors of other obligations under the finance documents;
- representations and warranties by the Company or other obligors is or proves to have been incorrect or misleading when made or deemed to be made;
- breach of financial covenants;
- any of the Company or other obligors amalgamates, merges, consolidates or otherwise enters into any other form of business combination or joint venture;
- any authority condemns, nationalises, seizes or otherwise expropriates all or any material or substantial part of the property or other assets of any obligor or of its share capital;
- insolvency events or insolvency proceedings;
- cross default of any financial indebtedness of an obligor of ZAR50 million or more;
- material judgment against any obligor (if not successfully reviewed, appealed, etc.);
- any litigation, arbitration, administration or other proceeding relating to environmental laws or environmental approvals that is reasonably likely to have a material adverse effect;
- any event, matter or circumstance occurs which has or could reasonably be expected to have a material adverse effect;
- unlawfulness or invalidity or ineffectiveness of any finance document (or any of its provisions) or security document;
- repudiation or rescission of any finance document (or any of its provisions) or security document;
- payment of amounts under the Notes when the payment conditions have not been satisfied; and
- breach of any finance document by any obligor that has or could reasonably be expected to have a material adverse effect.

Hedging Facilities

While the Group's New Bank Facilities are in ZAR, the Group's revenue is in US Dollars. The Group therefore monitors the movement of the Rand against the US Dollar and has a policy of hedging a portion of future diamond sales when weakness in the Rand indicates it appropriate to do so.

The exchange rate between the Rand and the US Dollar was volatile throughout FY 2020; the Rand averaged ZAR 15.68 to US$ 1.

Current diamond sales (in US Dollars) generated by the Group from its diamonds tenders are sold based on the foreign currency spot exchange rate on the day.

The lenders under the Hedging Facilities have agreed to allow for hedging lines of up to ZAR 150 million of aggregate potential future exposures to hedge against the Group's foreign currency exchange risks and to be provided under market standard ISDA documentation. All existing hedges are to be settled in full in accordance with their terms before any new hedges can be entered into under the new hedging lines. The terms of the Group's existing hedging arrangements will be amended to have maturities staggered over the year following the Restructuring Effective Date. New hedges will have maturities of up to one year.

Intercreditor Agreement

To establish the relative rights of certain of the Company's creditors under the Company's financing arrangements, the Issuer, the Company, certain other Group entities and other intragroup creditors and obligors of the Company's indebtedness entered into an intercreditor agreement, dated May 4, 2015 made between, among others, the Issuer, the Guarantors, the Security SPV and the lenders under and agent with respect to the New Bank Facilities as amended, restated or otherwise modified or varied from time to time and as acceded to by the Trustee on or about April 12, 2017 and as amended and restated as of March 9, 2021 (the "**Intercreditor Agreement**").

The Intercreditor Agreement governs, among other things, the rights and obligations of the "Senior Secured Creditors" (as defined in the Intercreditor Agreement and including lenders under the New Bank Facilities and certain hedging counterparties), in respect of enforcement of the Guarantees and the Collateral.

By accepting a Note, the Noteholders shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The following description is a summary of certain provisions, amongst others, contained in the Intercreditor Agreement that relate to the rights and obligations of the Noteholders. It does not restate the Intercreditor Agreement in its entirety nor does it describe provisions relating to the rights and obligations of holders of other classes of the Company's debt or capital expenditures. As such, the Company urges investors to read the Intercreditor Agreement in its entirety because it, and not the discussion that follows, defines certain rights of the Noteholders.

In this section:

"**Additional Second Lien Creditor**" means a lender or a creditor in respect of any Additional Second Lien Debt and each of their respective Additional Second Lien Debt Representatives.

"**Additional Second Lien Debt**" means the Liabilities (that rank junior in right of priority and payment to any Senior Secured Lender Liabilities and rank pari passu with the Second Lien Note Liabilities) owed by the debtors in respect of any loan, credit or guarantee facility, notes, indenture or security which are permitted by or not prohibited under the terms of the Indenture, the Senior Secured Finance Documents and any existing Additional Second Lien Debt Documents or with the consent of the relevant creditor representatives under each such document (acting on the instructions of the requisite level of creditors under such documents) to share directly or indirectly in the transaction security with the rights and obligations of Additional Second Lien Creditors as provided for in the Intercreditor Agreement.

"**Additional Second Lien Debt Discharge Date**" means the first date on which all Additional Second Lien Debt has been fully and finally discharged to the satisfaction of each relevant Additional Second Lien Debt Representative (acting reasonably), whether or not as the result of an enforcement, and the Additional Second Lien Creditors are under no further obligation to provide financial accommodation to any of the debtors under the Additional Second Lien Debt Documents.

"**Additional Second Lien Debt Documents**" means each document or instrument entered into between any member of the Group and an Additional Second Lien Creditor setting out the terms of any loan, credit or guarantee facility, mezzanine facility, notes, indenture or security which creates or evidences any Additional Second Lien Debt.

"**Additional Second Lien Debt Representative**" means the creditor representative for any tranche of Additional Second Lien Creditors which has acceded to the Intercreditor Agreement as a creditor representative of such parties.

"**Additional Second Lien Debt Representative Liabilities**" means the Liabilities owed by the debtors to any Additional Second Lien Debt Representative under or in connection with the Additional Second Lien Debt Documents.

"**Additional Second Lien Guarantee Liabilities**" means, in relation to a member of the Group, the liabilities under the Additional Second Lien Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Creditor or debtor as or as a result of its being a guarantor or surety.

"**Additional Second Lien Liabilities**" means the Liabilities owed by the debtors under or in connection with the Additional Second Lien Debt Documents.

"**Additional Second Lien Noteholder**" means any Additional Second Lien Creditor which is a holder of any Additional Second Lien Debt which is an issuance of debt securities.

"Bank Indemnifier" means FirstRand Bank Limited (acting through its Rand Merchant Bank division) in its capacity as such under the Bank Indemnity Agreement or any replacement bank indemnifier.

"Bank Indemnity Agreement" means each limited indemnity agreement made between the Bank Indemnifier and the Security SPV in respect of certain security granted over mining rights in respect of Finsch diamond mine and Cullinan diamond mine.

"Counter Indemnity Agreement" means the indemnity agreement between the debtors and the Security SPV originally dated May 4, 2015 (as amended and/or restated from time to time) pursuant to which the debtors indemnify the Security SPV against any loss, cost, liability or expense which the Security SPV may suffer or incur under or in connection with the Security SPV Guarantees.

"**Creditors**" means the Primary Creditors and the Subordinated Creditors.

"**Debt Document**" means each of the Intercreditor Agreement, the Hedging Agreements, the Senior Secured Finance Documents, the Second Lien Note Documents, the Additional Second Lien Debt Documents, the security documents, the intra-group debt documents, the shareholder debt documents, the Security SPV Guarantees, the Counter Indemnity Agreement and any other document designated as such by the Security SPV and the Company.

"**Final Discharge Date**" means the later to occur of the Senior Discharge Date and the Second Lien Debt Discharge Date.

"**First Ranking Security SPV Guarantees**" means each Security SPV Guarantee issued in favour of the Senior Secured Lenders.

"**Hedge Counterparty**" means any Senior Secured Lender (or affiliate) which is or becomes a party as a Hedge Counterparty under the Intercreditor Agreement and the Senior Secured Finance Documents.

"**Hedging Liabilities**" means the Liabilities owed by any debtor to the Hedge Counterparties under or in connection with the hedging agreements.

"**Initial Senior Secured Discharge Date**" means the first date on which the Initial Senior Secured Liabilities have been fully and finally discharged to the satisfaction of the Initial Senior Secured Loans Agent, whether or not as the result of a refinancing, an enforcement or otherwise, and the Initial Senior Secured Lenders are under no further obligation to provide financial accommodation to any of the Debtors under any of the Initial Senior Secured Finance Documents.

"**Initial Senior Secured Facilities Agreement**" means the senior facilities agreement as amended and restated on or around the Restructuring Effective Date between, among others, Ealing Management Services Limited (as borrower) and the Senior Secured Loans Agent.

"**Initial Senior Secured Finance Documents**" means:

(a) the Initial Senior Secured Facilities Agreement; and

(b) each facility agreement documenting the Ancillary Facilities, dated on or around the Restructuring Effective Date; and

(c) each other document which is a "Finance Document" (as defined in the Initial Senior Secured Facilities Agreement).

"**Initial Senior Secured Lenders**" means each person who is a "Lender" as defined in the Initial Senior Secured Finance Documents.

"**Initial Senior Secured Liabilities**" means the Liabilities owing to the Initial Senior Secured Lenders under the Initial Senior Secured Finance Documents.

"**Initial Senior Secured Loans Agent**" means Firstrand Bank Limited (acting through its Rand Merchant Bank division).

"**Liabilities**" has the meaning given to the term in the description of "Enforcement Action" in Part 7 ("Description of Certain Financing Arrangements") of this Prospectus.

"**Majority Senior Secured Creditors**" means, at any time, those Senior Secured Creditors whose senior secured credit participations (excluding any senior secured credit participations in respect of Over-hedging Liabilities) at that time aggregate more than 50.1% of the total senior secured credit participations (excluding any senior secured credit participations in respect of Over-hedging Liabilities) at that time.

"**Over-hedging Liabilities**" means in respect of hedging entered into under a hedging agreement after the Restructuring Effective Date, the amount of any Hedging Liabilities in respect of a single Hedge Counterparty which are in excess of ZAR50,000,000 (or its equivalent in any other currency).

"**Primary Creditors**" means the Senior Secured Creditors, the Second Lien Note Creditors, the Additional Second Lien Creditors and the Security SPV.

"**Second Lien Creditors**" means the Second Lien Note Creditors and the Additional Second Lien Creditors.

"**Second Lien Debt Discharge Date**" means the date when both the Additional Second Lien Debt Discharge Date and the Second Lien Note Discharge Date have occurred.

"**Second Lien Note/Additional Second Lien Note Required Holders**" means, at any time, those Noteholders and Additional Second Lien Noteholders whose credit participations at that time aggregate more than 50% of the total credit participations of the Noteholders and the Additional Second Lien Noteholders at that time.

"**Second Lien Note Creditors**" means the Noteholders and the Trustee.

"**Second Lien Note Discharge Date**" means the first date on which all Total Second Lien Note Liabilities have been fully and finally discharged to the satisfaction of the Second Lien Note Trustee, whether or not as a result of an enforcement, and the Noteholders are under no further obligation to provide financial accommodation to any of the debtors under the Second Lien Note Documents.

"**Second Lien Note Guarantor Liabilities**" means the Liabilities owed by the Guarantors to the Noteholders under or in connection with the Indenture.

"**Second Lien Note Issuer Liabilities**" means the Liabilities owed by the Issuer to the Noteholders under or in connection with the Indenture.

"**Second Lien Note Liabilities**" means the Second Lien Note Issuer Liabilities and the Second Lien Note Guarantor Liabilities.

"**Second Lien Note Trustee Liabilities**" means amounts payable to the Trustee (and any advisor, receiver, delegate, attorney, agent or appointee thereof) by the debtors under the Indenture for its own account.

"**Second Ranking Security SPV Guarantee**" means the Security SPV Guarantee issued in favour of the Second Lien Note Creditors and any other Security SPV Guarantee issued in favour of any other Second Lien Creditors.

"**Secured Parties**" means the Security SPV, the Senior Secured Creditors, the Noteholders, the Additional Second Lien Creditors, the creditor representatives and any receiver or delegate from time to time.

"**Security SPV Guarantees**" means the guarantees granted by the Security SPV in favour of any of the Secured Parties pursuant to which the Security SPV guarantees the obligations of the debtors to the relevant Secured Parties under the relevant secured Debt Documents.

"**Security SPV Liabilities**" means all Liabilities of any debtor to the Security SPV under the Debt Documents.

"**Senior Acceleration Event**" means the Senior Secured Lenders exercising any of their rights under the Senior Secured Finance Documents to require immediate payment of all monies owing thereunder.

"**Senior Discharge Date**" means the first date on which the Total Senior Secured Liabilities and the Hedging Liabilities have all been fully and finally discharged to the satisfaction of the Senior Secured Loans Agent (in the case of the Total Senior Secured Liabilities) and each relevant Hedge Counterparty (in the case of its Hedging Liabilities), whether or not as the result of an enforcement, and the relevant Senior Secured Creditors are under no further obligation to provide financial accommodation to any of the debtors under the Debt Documents.

"**Senior Secured Creditors**" means the Senior Secured Lenders, the Hedge Counterparties and their respective creditor representatives.

"**Senior Secured Facilities Agreement**" means

a) on or prior to the Initial Senior Secured Discharge Date, the Initial Senior Secured Facilities Agreement; and

b) after the Initial Senior Secured Discharge Date, any credit facility that meets the requirements of a "Credit Facility" under and as defined in the Second Lien Note Documents which is entitled, under the terms of the Second Lien Note Documents, to share in the transaction security with the rights and obligations of the Senior Secured Lenders as provided for in the Intercreditor Agreement and to receive priority with respect to payments under the Guarantees and the receipt of proceeds of any Enforcement of the transaction security.

"**Senior Secured Finance Documents**" means:

(a) on or prior to the Initial Senior Secured Discharge Date, each Initial Senior Secured Finance Document; and

(b) after the Initial Senior Secured Discharge Date, if applicable, each document or instrument entered into between a member of the Group and a Senior Secured Lender setting out the terms of any loan, credit or guarantee facility which creates or evidences a Senior Secured Facilities Agreement.

"**Senior Secured Lender Liabilities**" means the Liabilities owed by the debtors to the Senior Secured Lenders under the Senior Secured Finance Documents.

"**Senior Secured Lenders**" means:

(a) on or prior to the Initial Senior Secured Discharge Date, each Initial Senior Secured Lender; and

(b) after the Initial Senior Secured Discharge Date, each person identified as a "Lender" under the relevant Senior Secured Facilities Agreement.

"**Senior Secured Loans Agent**" means: (a) on or prior to the Initial Senior Secured Discharge Date, the Initial Senior Secured Loans Agent; and (b) after the Initial Senior Secured Discharge Date, the person acting as agent of the relevant Senior Secured Lenders in the relevant Senior Secured Finance Documents.

"**Senior Secured Loans Agent Liabilities**" means the Liabilities owed by the debtors to the relevant Senior Secured Loans Agent under or in connection with the relevant Senior Secured Finance Documents.

"**Total Additional Second Lien Liabilities**" means the Additional Second Lien Liabilities and Additional Second Lien Debt Representative Liabilities.

"**Total Second Lien Liabilities**" means the Total Additional Second Lien Liabilities and the Total Second Lien Note Liabilities.

"**Total Second Lien Note Liabilities**" means the Second Lien Note Liabilities and the Second Lien Note Trustee Liabilities.

"**Total Senior Secured Liabilities**" means the Senior Secured Lender Liabilities, the Senior Secured Loans Agent Liabilities and the Security SPV Liabilities (other than arising under the Counter Indemnity Agreement).

Ranking and Priority

Liabilities Owed to Creditors

The claims of the Primary Creditors and the creditor representatives against the debtors in respect of the Total Senior Secured Liabilities, the Total Second Lien Note Liabilities, the Security SPV Liabilities and the Hedging Liabilities shall rank in right and priority of payment in the following order:

- first, the Total Senior Secured Liabilities, the Second Lien Note Issuer Liabilities, the Second Lien Note Trustee Liabilities, the Additional Second Lien Debt Representative Liabilities and the Hedging Liabilities, *pari passu* and without any preference between them; and
- second, the Second Lien Note Guarantor Liabilities and the Additional Second Lien Guarantee Liabilities *pari passu* and without any preference between them.

The claims of the Primary Creditors (other than the Security SPV) and the creditor representatives against the Security SPV pursuant to the Security SPV Guarantees in respect of the Total Senior Secured Liabilities, the Total Second Lien Liabilities and the Hedging Liabilities shall rank in the following order:

- first, the First Ranking Security SPV Guarantees, the Total Senior Secured Liabilities and the Hedging Liabilities, *pari passu* and without any preference between them; and
- second, the Second Ranking Security SPV Guarantee, the Total Second Lien Note Liabilities and the Total Additional Second Lien Liabilities, *pari passu* and without any preference between them.

Transaction Security

The transaction security shall be given to the Security SPV (or, as applicable, the Bank Indemnifier) only and no Secured Party other than the Security SPV shall take or receive the benefit of any security from any member of the Group in respect of their liabilities. The proceeds of the transaction security shall be applied in the order described in the first paragraph under the caption "*—Application of Proceeds*" below.

Intra-Group Liabilities

Certain intra-group liabilities (the "**Intra-Group Liabilities**") are postponed and subordinated to the liabilities owed by the debtors to the Primary Creditors and the applicable creditor representatives (the "**Secured Liabilities**").

Shareholder Liabilities

Certain liabilities of the debtors owed to any direct or indirect shareholder of the Company or any affiliate which is not a member of the Group (the "**Shareholder Liabilities**") are postponed and subordinated to the Secured Liabilities.

The Intra-Group Liabilities and Shareholder Liabilities shall together be the "**Subordinated Liabilities**" and any party to which Subordinated Liabilities are owed shall be a "**Subordinated Creditor**".

Security

The Security SPV may take, accept or receive the benefit of (a) any additional security from any member of the Group, provided that in the case of any jurisdiction in which effective security cannot be granted in favour of the Security SPV, such security is then granted:

(i) to all the Secured Parties in respect of their Liabilities (as defined below under the caption "---*Proposed Enforcement Action*"; or

(ii) to the Security SPV under a parallel debt structure, joint and several creditor structure, agency structure, back-to-back indemnity structure or otherwise for the benefit of the other Secured Parties,

provided that all amounts received or recovered by any Secured Party with respect to such security are immediately paid to the Security SPV and held and applied in accordance with the provisions under the caption "*—Application of Proceeds*" below.

The Secured Parties may take, accept or receive the benefit of any guarantee, indemnity or other assurance against loss (other than under the Bank Indemnity Agreement and the Counter Indemnity Agreement) from any member of the Group in addition to those in the Senior Secured Finance Documents, the Indenture or the Additional Second Lien Debt Documents, the Intercreditor Agreement or any other guarantee, indemnity or assurance given to the Secured Parties, only if (other than as excluded by the Intercreditor Agreement) and to the extent legally possible, at the same time it is also offered to the other secured parties in respect of their liabilities and ranks in the same order of priority as described under the caption "*—Ranking and Priority*" below.

Proposed Enforcement Action

As between the Secured Parties, the provisions described under the caption "*—Enforcement—Enforcement Instructions*" below shall apply as regards proposed Enforcement (as defined below).

"**Enforcement**" is defined under the Intercreditor Agreement as the enforcement of the transaction security, the requesting of a Distressed Disposal (as defined below under the caption "*—Distressed Disposals*") and/or the release of claims and/or such security on a Distressed Disposal, the giving of instructions as to actions in respect of any such security following an insolvency event and the taking of any other actions consequential on (or necessary to effect) the enforcement of the transaction security.

"**Enforcement Action**" is defined under the Intercreditor Agreement as:

- in relation to any present and future liabilities and obligations at any time of any member of the Group to any creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any related additional liabilities (the "**Liabilities**"):

  (i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a primary creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the debt documents);

  (ii) the making of any declaration that any Liabilities are payable on demand;

  (iii) the making of a demand in relation to a Liability that is payable on demand;

(iv) the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;

(v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against that member of the Group for the redemption or purchase of any Liability but excluding any such right which relates to a debt purchase transaction permitted under the Senior Secured Finance Documents or the Indenture or the Additional Second Lien Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Indenture or any Additional Second Lien Debt Documents;

(vi) subject to certain exceptions, the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities; or

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

- the premature termination or close-out of any hedging transaction under any hedging agreement (subject to certain exceptions);

- the taking of any steps to enforce or require the enforcement of any transaction security (including the crystallisation of any floating charge forming part of the security thereunder);

- the entering into of any composition, compromise, assignment or arrangement with any member of the Group that owes any Liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than (i) any action permitted under the Intercreditor Agreement or (ii) any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers not undertaken as part of an announced restructuring or turnaround plan or while an event of default was outstanding under the relevant Debt Documents);

- the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator, business rescue practitioner or similar officer) in relation to, the winding up, dissolution, administration, placing under business rescue or reorganisation of any member of the Group that owes any Liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any member of the Group, or any analogous procedure or step in any jurisdiction ("**Insolvency Process Action**"); or

- the making of any demand under any Security SPV Guarantee against the Security SPV,

except that the following shall not constitute Enforcement Action:

A. the taking of any action falling within paragraphs (ii), (iii), (iv), (vii) or Insolvency Process Action above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

B. any Primary Creditor or their respective creditor representative bringing legal proceedings against any person solely for the purpose of:

i. obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is a party;

ii. obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or

iii. requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages;

C. allegations of material misstatements or omissions made by a Primary Creditor or their respective creditor representative in connection with the offering materials relating to the Second Lien Note Liabilities or in reports furnished to the Trustee or any exchange on which the Notes are listed by any member of the Group pursuant to information and reporting requirements under the Indenture;

D. allegations of material misstatements or omissions made by a Primary Creditor or their respective creditor representative in connection with the offering materials relating to the Additional Second Lien Debt or in reports furnished to the Additional Second Lien Creditors or any exchange on which the Additional Second Lien Debt is listed by a member of the Group pursuant to information and reporting requirements under the Additional Second Lien Debt Documents;

E. bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations; or

F. to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation.

Enforcement

The Secured Parties shall not give instructions to the Security SPV as to the enforcement of the transaction security other than in accordance with the Intercreditor Agreement.

Enforcement Instructions

The Security SPV may refrain from enforcing the transaction security or taking any other Enforcement unless instructed otherwise in accordance with the provisions described under the caption "*—Manner of Enforcement*" below.

Subject to the transaction security having become enforceable in accordance with its terms, the Instructing Group (as defined below in "*—Distressed Disposals*") may give instructions to the Security SPV as to the Enforcement of the transaction security as they see fit; *provided* that the instructions as to Enforcement given by the Instructing Group are consistent with the provisions described under the caption "*—Security Enforcement Principles*" below and provided further that if Enforcement Action has been taken which appears likely to result in the occurrence of an insolvency event, the Instructing Group or the Second Lien Note/Additional Second Lien Note Required Holders (to the extent permitted as described below) shall instruct the Security SPV to commence Enforcement sufficiently promptly so as not to frustrate the Security Enforcement Objective.

"**Security Enforcement Objective**" is defined under the Intercreditor Agreement as maximising, so far as is consistent with prompt and expeditious (in the opinion of the Senior Secured Lenders, acting reasonably, taking into the likelihood of completion of any sale upon enforcement) realisation of value from enforcement of the transaction security.

The Security SPV is entitled to rely on and comply with instructions given in accordance with the relevant provisions of the Intercreditor Agreement.

Manner of Enforcement

If the transaction security is being enforced or other action as to Enforcement is being taken pursuant to the provisions under the caption "*—Enforcement Instructions*", the Security SPV shall enforce the transaction security or take other action as to Enforcement in such manner (including, without limitation, the selection of any administrator of any debtor to be appointed by the Security SPV) as the Instructing Group (as defined below in "*—Distressed Disposals*") shall instruct, *provided* any such instructions are consistent with the principles described under the caption "*—Security Enforcement Principles*".

After the Security SPV has commenced an Enforcement of the transaction security it shall not accept any subsequent instructions as to Enforcement from anyone other than the Instructing Group that instructed it in respect of such Enforcement regarding any other Enforcement over or relating to the transaction security directly or indirectly the subject of the Enforcement which has been commenced (in the context of an Enforcement relating to the shares in a company, for example, this paragraph would restrict the giving of any instructions as to Enforcement of the Transaction Security over those shares or to the assets of that company or the shares in or assets of any direct or indirect subsidiary of that company).

The immediately preceding paragraph shall not restrict the right of any subsequent Instructing Group to instruct the Security SPV as to Enforcement of the transaction security that includes any shares or assets which are not directly or indirectly the subject of a prior instruction as to Enforcement.

If the Majority Senior Secured Creditors or Second Lien Note/Additional Second Lien Note Required Holders consider that the Security SPV is enforcing the transaction security in a manner which is not consistent with the principles described under the caption "*—Security Enforcement Principles*", the representatives for the relevant Senior Secured Creditors, the Second Lien Notes Creditors or Additional Second Lien Creditors (as applicable) shall give notice to the creditor representatives for the other Senior Secured Creditors, Second Lien Notes Creditors or Additional Second Lien Creditors (as applicable) after which such representatives shall consult with the Security SPV for a period of 10 days (or such lesser period as such representatives may agree) with a view to agreeing the manner of Enforcement provided that such representatives shall not be obliged to consult under this paragraph if the Instructing Group believes that such consultation would jeopardise the achievement of the Security Enforcement Objective or (in any event) more than once in relation to each Enforcement.

Second Lien Enforcement

Until the Senior Discharge Date, except with the prior consent of the Majority Senior Secured Creditors, neither the Trustee (for itself and on behalf of the Noteholders) nor any other Second Lien Creditor shall direct the Security SPV to enforce or otherwise (to the extent applicable), require Enforcement of, any transaction security, except as permitted under the next succeeding paragraph.

The restriction in the immediately preceding paragraph will not apply if:

i) the Senior Secured Creditors have taken Enforcement Action comprising a Senior Acceleration Event, in which case the Second Lien Creditors may take the equivalent Enforcement Action in respect of the Second Lien Note Guarantor Liabilities or the Additional Second Lien Guarantee Liabilities (as applicable); or

ii) unless otherwise directed by the Security SPV, any insolvency event is outstanding in respect of any debtor against whom Enforcement Action is to be taken, other than where such insolvency event occurred as a result of any action by the Noteholders and/or the Additional Second Lien Creditors.

Security Enforcement Principles

It shall be the primary and over-riding aim of any enforcement of the transaction security to achieve the Security Enforcement Objective.

The principles set forth under this caption may be amended, varied or waived with the prior written consent of the Majority Senior Secured Creditors and the Second Lien Note/Additional Second Lien Note Required Holders.

The transaction security will be enforced and other action as to Enforcement will be taken such that either:

(a) all proceeds of Enforcement are received by the Security SPV in cash for distribution in accordance with the provisions described under the caption "*—Application of Proceeds*"; or

(b) sufficient proceeds from Enforcement will be received by the Security SPV in cash to ensure that when the proceeds are applied in accordance with the provisions described under the caption "*—Application of Proceeds*" the Total Senior Secured Liabilities are repaid and discharged in full (unless the Majority Senior Secured Creditors agree otherwise).

(c) the Enforcement must be prompt and expeditious it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the time frame for the realisation of value from the Enforcement of the transaction security or Distressed Disposal pursuant to Enforcement will be determined by the Instructing Group provided that it is consistent with the Security Enforcement Objective.

On:

(a) a proposed Enforcement of any of the transaction security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds a certain threshold; or

(b) a proposed Enforcement of any of the transaction security over some or all of the shares in a member of the Group over which transaction security exists,

the Security SPV shall, upon instructions from an Instructing Group and at the expense of the Instructing Group (unless it is incompatible with enforcement proceedings in a relevant jurisdiction), appoint a "big four" accounting firm, any reputable and independent international investment bank or other reputable and independent professional services firm with experience in restructuring and enforcement (or, in the case of a sale process relating to assets located in South Africa, a reputable and independent South African investment bank, firm of accountants or third party professional firm (but which is not a Primary Creditor or an affiliate thereof)) (a "**Financial Advisor**") to opine as expert on:

- the optimal method of enforcing the transaction security so as to achieve the Security Enforcement Objective and maximise the recovery of any such Enforcement;
- that the proceeds received from any such Enforcement is fair from a financial point of view after taking into account all relevant circumstances; and
- that such sale is otherwise in accordance with the Security Enforcement Objective,

(the "**Financial Advisor's Opinion**").

The Security SPV shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the paragraph above or any other provision of the Intercreditor Agreement.

The Financial Advisor's Opinion (or any equivalent opinion obtained by the Security SPV in relation to any other Enforcement of the transaction security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met.

In the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any Enforcement of the transaction security on the grounds that such Enforcement does not aim to achieve the Security Enforcement Objective, the Security SPV is entitled to assume that such Enforcement of the transaction security is in accordance with the Security Enforcement Objective.

If the Security SPV receives an objection (and without prejudice to the ability of the Security SPV to rely on other advisers and/or exercise its own judgment in accordance with the Intercreditor Agreement), a Financial Advisor's Opinion to the effect that the particular action could reasonably be said to be aimed at achieving the Security Enforcement Objective will be conclusive evidence that the requirement of the first paragraph of this section has been met.

In the absence of a Financial Advisor's Opinion, an Enforcement will nonetheless be deemed to be consistent with the Security Enforcement Principles where it is undertaken by way of a competitive process.

Waiver of Rights

To the extent permitted under applicable law and subject to the provisions described under the captions "—*Proposed Enforcement Action*", "—*Enforcement*", "—*Application of Proceeds*" and "—*Distressed Disposals*" and (as between the Secured Parties only) the provision under the caption "—*Manner of Enforcement*", each of the Secured Parties and the debtors waives all rights it may otherwise have to require that the transaction security be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the transaction security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations is so applied.

Option to Purchase the Senior Secured Lender Liabilities by the Noteholders

Subject to the terms and conditions of the Intercreditor Agreement, at any time following an acceleration event or the enforcement of any transaction security (a "**Distress Event**"), all or a portion of the Noteholders and/or Additional Second Lien Creditors (having given all of the Second Lien Creditors the opportunity) may, by giving not less than ten days' notice to the Security SPV, require the transfer to them of all, but not part, of the rights, benefits and obligations, in respect of the Senior Secured Lender Liabilities by paying the Senior Secured Loans Agent (on behalf of the Senior Secured Lenders) an amount equal to the aggregate of all of the Senior Secured Lender Liabilities (other than the Hedging Liabilities) at that time (whether or not due), including all amounts that would have been payable under the Senior Secured Finance Documents if the Senior Secured Lender Liabilities were being prepaid by the relevant debtors on the date of payment at that time and all costs and expenses (including legal fees) incurred by the Senior Secured Loans Agent and/or the Senior Secured Lenders as a consequence of giving effect to that transfer. Upon exercising such option, the Noteholders must also require a hedge transfer in respect of the Hedging Liabilities.

Filing of Claims

After the occurrence of an insolvency event in relation to any member of the Group, each Subordinated Creditor irrevocably authorises the Security SPV, on its behalf, to:

(a) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;

(b) demand, sue, prove and give receipt for any or all of that member of the Group's Liabilities;

(c) collect and receive all distributions on, or on account of, any or all of that member of the Group's Liabilities; and

(d) file claims, take proceedings and do all other things the Security SPV considers reasonably necessary to recover that member of the Group's Liabilities,

in each case only as the Security SPV considers necessary or advisable in relation to an Enforcement, and the Security SPV shall distribute monies received by it as a result in accordance with the provisions described under the caption "*—Application of Proceeds*".

Turnover of Receipts

If at any time prior to the Final Discharge Date, any Creditor receives or recovers the proceeds from any Enforcement of any transaction security except in accordance with the provisions described under the caption "*—Application of Proceeds*", that Creditor will in relation to receipt and recoveries not received or recovered by way of set-off:

(a) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security SPV and promptly pay that amount to the Security SPV for application in accordance with the terms of the Intercreditor Agreement; and

(b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security SPV for application in accordance with the terms of the Intercreditor Agreement.

Distressed Disposals

If a Distressed Disposal (as defined below) of shares in the capital of any Guarantor that is a subsidiary of the Issuer (each, a "**Subsidiary Guarantor**") is being effected, the Security SPV is irrevocably authorised to (among other things) release (x) the relevant transaction security granted by such Subsidiary Guarantor and any subsidiary of such Subsidiary Guarantor and (y) such Subsidiary Guarantor and any subsidiary of such Subsidiary Guarantor from all or any part of its Guarantee on behalf of itself and the relevant creditors, the Subordinated Creditors and the debtors. The net proceeds of each such Distressed Disposal shall be paid to the Security SPV for application in accordance with the provisions described under the caption "*—Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the transaction security. In connection with such Enforcement, the Security SPV shall act on the instructions of:

(A) prior to the Senior Discharge Date, the Majority Senior Secured Creditors; and

(B) after the Senior Discharge Date, the Second Lien Note/Additional Second Lien Note Required Holders,

(the "**Instructing Group**").

Notwithstanding the above, no release of the borrowing liabilities, guarantee liabilities, other liabilities or transaction security in respect of the Notes or the Additional Second Lien Debt may take place without the prior written consent of any representative of the Notes or Additional Second Lien Debt unless the relevant Distressed Disposal:

- is effected either (i) pursuant to a competitive process or (ii) where an internationally recognised investment bank or international accountancy firm (or, in the case of a sale process relating to assets in South Africa, a reputable and independent South African investment bank or firm of accountants (but which is not a primary creditor or an affiliate thereof) selected by the Security SPV (acting reasonably) has delivered to the relevant creditor representative(s) an opinion that the disposal price of the relevant share capital or assets is fair from a financial point of view after taking into account all relevant circumstances; and

- is for cash (or substantially all cash),

and unless any borrowing and guarantor liabilities to the Secured Parties from the member of the Group whose shares are being disposed of and from any subsidiary of such member of the Group and any transaction security in respect of any assets that are being disposed of are also being released by the Security SPV.

As defined in the Intercreditor Agreement, "**Distressed Disposal**" means a disposal of any asset subject of transaction security which is:

a) being effected at the request of the Instructing Group in circumstances where the transaction security has become enforceable;

b) being effected by enforcement of the transaction security; or

c) being effected, after the occurrence of a Distress Event, by a debtor to a person or persons which is not a member of the Group.

Each Creditor, Subordinated Creditor and debtor will:

(a) do all things that the Security SPV requests in order to give effect to the provision described in the prior paragraph (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security SPV may consider to be necessary to give effect to the releases or disposals contemplated thereby); and

(b) if the Security SPV is not entitled to take any of the actions contemplated by this section or if the Security SPV requests that any creditor or debtor take any such action, take that action itself in accordance with the instructions of the Security SPV,

provided that the proceeds of those disposals are applied in accordance with the Intercreditor Agreement.

Application of Proceeds

Subject to certain exceptions, all amounts from time to time received or recovered by the Security SPV in connection with the realisation or Enforcement of all or any part of the transaction security or being derived from assets over which the transaction security created security and being expressly provided in the Intercreditor Agreement as being payable to the Security SPV for application in accordance with this paragraph (the "**Recoveries**") shall be held by the Security SPV on trust to apply them at any time as the Security SPV (acting reasonably) sees fit, to the extent permitted by applicable law (and subject to the provisions described in this paragraph), in the following order of priority:

a) first, in discharging any sums owing to the Security SPV, any receiver or delegate, any Senior Secured Loans Agent Liabilities, any Second Lien Note Trustee Liabilities and any Additional Second Lien Debt Representative Liabilities in respect of any Additional Second Lien Debt, each on a *pari passu* basis;

b) second, in payment of all costs and expenses incurred by each creditor representative (to the extent not included in (a) above and excluding any Hedge Counterparty as its own creditor representative) or Primary Creditor in connection with any realisation or enforcement of the transaction security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security SPV;

c) third, in discharge by the Security SPV of its obligations under the First Ranking Security SPV Guarantee in payment to:

(i) the Senior Secured Loans Agent on its own behalf and on behalf of the Senior Secured Lenders towards the discharge of the Senior Secured Loans Agent Liabilities and the Senior Secured Lender Liabilities (in accordance with the terms of the Senior Secured Finance Documents); and

(ii) the Hedge Counterparties towards the discharge of Hedging Liabilities other than Over-hedging Liabilities (on a pro rata basis between the Hedging Liabilities (other than Over-hedging Liabilities) of each Hedge Counterparty),

in each case guaranteed under the relevant First Ranking Security SPV Guarantee *pari passu* and on a pro rata basis between paragraphs (i) and (ii) above;

(d) fourth, in discharge by the Security SPV of its obligations under the First Ranking Security SPV Guarantees in payment to the Hedge Counterparties for application towards the discharge of the Over-hedging Liabilities (on a pro rata basis between the Over-hedging Liabilities of each relevant Hedge Counterparty);

(e) fifth, in discharge by the Security SPV of its obligations under the Second Ranking Security SPV Guarantee in payment to:

(i) the Trustee on its own behalf and on behalf of the Noteholders for application (in accordance with the terms of the Indenture) towards the discharge of the Total Second Lien Note Liabilities; and

(ii) the Additional Second Lien Debt Representative on its own behalf and on behalf of the Additional Second Lien Creditors for application (in accordance with the terms of the Additional Second Lien Debt Documents) towards the discharge of the Total Additional Second Lien Liabilities;

in each case guaranteed under the relevant Second Ranking Security SPV Guarantee *pari passu* and on a pro rata basis between paragraphs (i) and (ii) above;

(f) sixth, after the Final Discharge Date, in payment to any Subordinated Creditor entitled thereto; and

(g) seventh, the balance, if any, in payment to the relevant debtor.

Following a Distress Event, the Security SPV may, in its discretion, hold any amount of the recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security SPV with the Senior Secured Loans Agent (if it is a bank), or with The Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited or Absa Bank Limited (if the Senior Secured Loans Agent is not a bank) and for so long as the Security SPV shall think fit (the interest being credited to the relevant account) for later application under the provisions of this "*—Application of Proceeds*" in respect of (a) any sum to the Security SPV, any receiver or any delegate; and (b) any part of the Liabilities or creditor representative liabilities, in each case, that the Security SPV reasonably considers might become due or owing at any time in the future.

Consents, Amendments and Override

Additional Intercreditor Agreement

The Indenture will provide that, at the request of the Company, in connection with the incurrence by the Company or any of its Restricted Subsidiaries of any Indebtedness that is permitted to be secured by the Collateral pursuant to the definition of "Permitted Collateral Liens," the Issuer, the relevant Guarantors, the Trustee and the Security SPV shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement, or a restatement, amendment or other modification of an existing intercreditor agreement (an "**Additional Intercreditor Agreement**"), on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders of the Notes); provided, further, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security SPV or adversely affect the personal rights, duties, liabilities or immunities of the Trustee and the Security SPV under the Indenture or the Intercreditor Agreement. For the avoidance of doubt, subject to the foregoing and the succeeding paragraph, any such Additional Intercreditor Agreement may provide for senior security interests in respect of any such Indebtedness (to the extent such Indebtedness is permitted to be secured by the Collateral pursuant to the definition of "Permitted Collateral Liens") or any pari passu or junior security interests in respect of any such Indebtedness (to the extent such Indebtedness was permitted to be

incurred under the Indenture); provided that such Additional Intercreditor Agreement shall not provide for any additional standstill periods as it relates to the enforcement of the Collateral by the Security SPV on behalf of the Trustee and the holders of the Notes. If more than one such intercreditor agreement is outstanding at any one time, the collective terms of such intercreditor agreements must not conflict and must be no more disadvantageous to the holders of the Notes than if all such Indebtedness was a party to one such agreement.

At the direction of the Company and without the consent of the holders of the Notes, the Trustee and the Security SPV will from time to time enter into one or more amendments and/or restatements to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) add Subsidiary Guarantors or other parties (such as representatives of new issuances of Indebtedness) thereto; (iii) further secure the Notes (including Additional Notes); (iv) make provision for equal and ratable grants of Liens on the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens to the extent permitted by the Indenture; (v) subject to the preceding paragraph, to provide for additional Indebtedness (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes) to the extent permitted under the Indenture or any other obligations that are permitted by the terms of the Indenture to be incurred and secured by a Lien on the Collateral on a senior, pari passu or junior basis with the Liens securing the Notes or the Guarantees; (vi) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement; (vii) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof; (viii) increase the amount of the Credit Facilities or Ancillary Facilities covered by any such agreement, the incurrence of which is not prohibited by the Indenture; or (ix) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect. The Company will not otherwise direct the Trustee or the Security SPV to enter into any amendment and/or restatement to the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement, without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*", and the Company or Issuer may only direct the Trustee and the Security SPV to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security SPV.

Required Consents

Subject to certain exceptions, the Intercreditor Agreement may be amended or waived only with the consent of the Company, the Senior Secured Loans Agent, the Trustee and the Additional Second Lien Debt Representative (in each case acting on the instructions of the requisite majority of the relevant Creditors, where required, or according to the relevant Debt Documents where no creditor consent is required).

An amendment or waiver that has the effect of changing or which relates to, among other things, the provisions described under the caption "*—Application of Proceeds*" and the caption "*—Ranking and Priority*" or the order or priority or subordination under the Intercreditor Agreement shall not be made without the consent of the Senior Secured Loans Agent, the Senior Secured Lenders, the Company, the Trustee, each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty), each other creditor representative (including in relation to any Additional Second Lien Debt) and the Security SPV.

Amendments and Waivers: Transaction Security Documents

Subject to the immediately following paragraph and the provisions described under the caption "*—Exceptions*" and unless the provisions of any debt document expressly provides otherwise, the Security SPV may, if authorised by the Majority Senior Secured Creditors and (after the Senior Discharge Date) the Second Lien Note/Additional Second Lien Note Required Holders, and if the Company consents, amend the terms of, waive any of the requirements of or grant consents under, any security document which shall be binding on each party.

Subject to the provisions described under the caption "*—Exceptions*", the prior consent of the Majority Senior Secured Creditors and each creditor representative of the Second Lien Creditors is required to authorise any

amendment or waiver of, or consent under, any security document which would affect the manner in which the proceeds of enforcement of the transaction security are distributed.

Exceptions

Subject to the immediately following paragraph, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any party other than:

- in the case of a Primary Creditor, in a way which affects or would affect Primary Creditors of that party's class generally; or

- in the case of a debtor, to the extent consented to by the Company under the provisions described in the first paragraph under the caption "*—Amendments and Waivers: Transaction Security Documents*",

the consent of that party is required.

Neither the immediately preceding paragraph nor the provisions described in the second paragraph under the caption "*—Amendments and Waivers: Transaction Security Documents*" shall apply:

- to any release of transaction security, claim or Liabilities; or

- to any consent,

which in each case, the Security SPV gives in accordance with the provisions described under the caption "*—Distressed Disposals*".

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Debt Documents to the contrary.

Notwithstanding anything to the contrary in the Intercreditor Agreement or the Senior Secured Finance Documents, the immediately preceding paragraph as between any Creditor and any debtor or any member of the Group will not cure, postpone, waive or negate in any manner any default or event of default under any Debt Document as provided in the relevant Debt Document.

Description of the Collateral

The Issuer and the Guarantors, pursuant to a counter-indemnity agreement (the "**Counter-Indemnity Agreement**") entered into with the Security SPV, indemnify the Security SPV against any loss, cost, liability or expense which the Security SPV may suffer or incur under or in connection with the Security SPV Guarantees granted by it in favour of (i) the lenders under the New Bank Facilities on a first-priority basis and (ii) the Trustee and holders of the Notes on a second-priority basis.

The Company and certain of its subsidiaries, including the Issuer, have provided security interests in the following assets (collectively, the "**Collateral**"), subject to certain exceptions with respect to registered security that is subject to certain regulatory approvals, in favour of the Security SPV (or, in the case of the mining rights of Finsch Diamond Mine (Pty) Ltd, Blue Diamond Mine (Pty) Ltd and Cullinan Diamond Mine Ltd, FirstRand Bank) in respect of the Company and its subsidiaries' obligations under the New Bank Facilities and the Notes. See "*Risk Factors—Risks Relating to the Collateral Securing the Notes*".

- the mining rights of Finsch Diamond Mine (Pty) Limited, Blue Diamond Mine (Pty) Ltd and Cullinan Diamond Mine (Pty) Limited;

- the shares in and claims against certain of the Guarantors and other Subsidiaries of the Company;

- bank accounts of the Company and certain of the Guarantors operated in South Africa, Jersey, The Netherlands, Belgium and the United Kingdom;
- insurances (including the proceeds thereof) held by the Company and certain of the Guarantors;
- certain claims against debtors and other third parties of the Company and certain Guarantors;
- the immovable property of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Premier (Transvaal) Diamond Mining Company (Pty) Limited;
- certain specified movable property and assets, including for example various vehicles and machinery and equipment (including certain mining and drilling equipment), of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Cullinan Diamond Mine (Pty) Limited;
- moveable property and assets of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Cullinan Dimond Mine (Pty) Limited;
- receivables under certain intercompany loans; and
- shares, intercompany loans, contract rights and other assets of Petra Diamonds UK Treasury Limited, Petra Diamonds US$ Treasury Plc, Petra Diamonds Limited and Petra Diamonds UK Service Limited pursuant to English law governed fixed and floating charges.
- security over intra-group offtake receivables and inventory (unless and until inventory is sold to third parties);
- security over courier contracts in respect of inventory and related rights; and
- other rights, property or assets from time to time over which a Lien has been granted to, directly or indirectly, secure the obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture.

Pursuant to section 11 of the MPRDA, the approval of the South African Minister of Mineral Resources is required for the granting of a security interest in mining rights unless such security interest is granted in favour of a bank (and certain related registration requirements are met). Security interests in the mining rights held by Finsch Diamond Mine Pty Ltd, Blue Diamond Mines Pty Ltd and Cullinan Diamond Mine (Pty) Ltd have been granted in favour of FirstRand Bank and accordingly the approval of the Minister of Mineral Resource will not be required in respect of such security. FirstRand Bank has indemnified the Security SPV, on a limited recourse basis (limited to the proceeds of any realisation of the Finsch Diamond Mine Pty Ltd, Blue Diamond Mines Pty Ltd and Cullinan Diamond Mine (Pty) Ltd mining rights), in respect of any loss, cost, liability or expense which the Security SPV may suffer or incur under or in connection with the Security SPV Guarantees.

The Liens securing the Notes and the Guarantees also secure the obligations of the Issuer and the Guarantors under the New Bank Facilities and certain hedging obligations on a first priority basis. The security and other agreements in respect of the Collateral are referred to as the "Security Documents."

Claims of the Company’s first-priority senior secured creditors will have priority with respect to their security over the claims of the holders of the Notes, and the claims of holders of the Notes will be effectively subordinated to the rights of the Company’s existing and future secured creditors to the extent of the value of the assets securing such creditors which do not also secure the Notes

The Security SPV has guaranteed, on a second-priority basis, the Notes and the Guarantees. Under the Security Documents, the Collateral is granted by the Issuer and the Guarantors in favour of the Security SPV to secure the Security SPV’s guarantee of the Notes and the Guarantees. The Security Documents have been or will be entered into by, among others, the Trustee and the Security SPV. See "—*Security SPV*." In the event

of enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the New Bank Facilities and the creditors under any other Indebtedness secured on a first lien basis have been repaid in full.

PART 8: DESCRIPTION OF THE NOTES

Petra Diamonds US$ Treasury Plc (the "**Issuer**") has issued, and Petra Diamonds Limited (the "**Company**") and the Subsidiary Guarantors has guaranteed the Notes under an indenture (the "**Indenture**") among, inter alios, the Issuer, Deutsche Bank Trust Company Americas, as trustee (the "**Trustee**"), Deutsche Bank Trust Company Americas, as Paying Agent, Registrar and Transfer Agent and Bowwood and Main No 166 (RF) Proprietary Limited (the "**Security SPV**"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Unless the context requires otherwise, references in this "*Description of Note*s" to the Notes include the Notes and any Additional Notes (as defined below) that are issued. The terms of the Notes include those set forth in the Indenture. The Indenture will not be qualified under, incorporate or include, or be subject to any of the provisions of the U.S. Trust Indenture Act of 1939, as amended, including Section 316(b) thereof. The Security Documents referred to below under the caption "*—Collateral*" define the terms of the security that will secure the Notes.

The following description is a summary of the material provisions of the Indenture and the Notes and refers to the Security Documents and the Intercreditor Agreement and certain other agreements relating to the Notes. This description does not restate those agreements in their entirety. We urge investors to read the Indenture, the Notes, the Security Documents and the Intercreditor Agreement because they, and not this description, define rights as holders of the Notes.

Certain defined terms used in this "*Description of Notes*" but not defined below under "*—Certain Definitions*" have the meanings assigned to them in the Indenture. Definitions of certain terms used in this "*Description of Notes*" can be found under the subheading "*—Certain Definitions*". For purposes of this "*Description of Notes,*" the term "the Issuer" refers only to Petra Diamonds US$ Treasury Plc and not to any of its Subsidiaries, except for the purposes of financial data determined on a consolidated basis. The word "**Company**" refers only to Petra Diamonds Limited and not to any of its Subsidiaries, except for the purposes of financial data determined on a consolidated basis.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes

The Notes:

- are senior obligations of the Issuer;
- are guaranteed by the Guarantors;
- are indirectly secured on a second-priority basis through a limited recourse second-priority Security SPV guarantee supported by a counter-indemnity and security interests in the Collateral (which Collateral also secures on an indirect first-priority basis, through a first-priority Security SPV guarantee, the lenders under the Senior Facilities, the BEE Lenders (as defined in this Prospectus), and creditors under certain hedging obligations) as described under "*—Security*" and "*Description of Certain Financing Arrangements—Description of the Collateral*";
- are effectively subordinated to any existing and future Indebtedness of the Issuer that (i) is secured by a Lien on the Collateral that ranks senior or prior to the Lien indirectly securing the Notes, (ii) benefits from a guarantee granted by the Security SPV supported by a Lien on the Collateral, which guarantee ranks senior or prior to the Security SPV guarantee granted in favor of the Notes and the Guarantees, including the first-priority liens in the form of the First Ranking Security SPV Guarantee securing the Senior Facilities or (iii) is secured (directly or in the form of a guarantee granted by the Security SPV or any similar vehicle) by property or assets that do not secure the Notes, in each case to the extent of the value of the property and assets securing such Indebtedness;

- rank *pari passu* in right of payment with all existing and future Indebtedness of the Issuer that is not expressly contractually subordinated in right of payment to the Notes, including obligations under the Senior Facilities;

- are senior in right of payment to any future Indebtedness of the Issuer that is expressly contractually subordinated in right of payment to the Notes; and

- are structurally subordinated to all existing and future indebtedness and preferred stock of the Company's Subsidiaries (other than the Issuer) that are not Guarantors.

The Guarantees

The Notes will initially be guaranteed by the Guarantors. Each guarantee of the Notes (a "**Guarantee**") will:

- be a senior obligation of the relevant Guarantor;

- rank *pari passu* in right of payment with all existing and future senior Indebtedness of such Guarantor that is not expressly contractually subordinated in right of payment to the Guarantee, including obligations under the Senior Facilities;

- rank *pari passu* with the guarantee provided by the Company to guarantee debt and future accrued interest owed by the Company's B-BBEE Partner;

- be senior in right of payment to any existing and future Indebtedness of the relevant Guarantor that is subordinated in right of payment to the Guarantee of such Guarantor;

- be structurally subordinated to all existing and future obligations and preferred stock of each subsidiary of such Guarantor that does not guarantee the Notes;

- be effectively subordinated to any existing and future Indebtedness of such Guarantor that (i) is secured by a Lien on the Collateral that ranks senior or prior to the Lien indirectly securing such Guarantee, (ii) benefits from a guarantee granted by the Security SPV supported by a Lien on the Collateral, which guarantee ranks senior or prior to the Security SPV guarantee granted in favor of the Guarantee, including the first-priority liens in the form of the First Ranking Security SPV Guarantee securing the Senior Facilities or (iii) is secured (directly or in the form of a guarantee granted by the Security SPV or any similar vehicle) by property or assets that do not secure the Guarantee, in each case to the extent of the value of the property and assets securing such Indebtedness; and

- be indirectly secured on a second-priority basis through a limited recourse second-priority Security SPV guarantee supported by a counter-indemnity and security interests in the Collateral (which Collateral also secures on an indirect first-priority basis, through a first-priority Security SPV guarantee, the lenders under the Senior Facilities, the BEE Lenders (as defined in this Prospectus) and creditors under certain hedging obligations)) as described under "*—Security*" and "*Description of Certain Financing Arrangements—Description of the Collateral*".

Not all of the Company's Subsidiaries have guaranteed the Notes on the Issue Date and the Company will not have any obligation to cause any of its Subsidiaries to guarantee the Notes in the future (except as required under the circumstances described below under the caption "*—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*"). In the event of a bankruptcy, liquidation or reorganization of any non-guarantor Subsidiary, the Subsidiary which is not a Guarantor will pay the holders of its indebtedness and its trade creditors before it will be able to distribute any of its assets to the Company or the Issuer.

The operations of the Company are conducted through the Company's Subsidiaries and, therefore the Issuer depends on the cash flow of the Company's Subsidiaries to meet the Issuer's obligations, including its obligations under the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Company's Subsidiaries that are not Guarantors or the Issuer (the "**Non-Guarantor Restricted Subsidiaries**").

Any right of the Issuer or any Guarantor to receive assets of any of the Non-Guarantor Restricted Subsidiaries upon that Non-Guarantor Restricted Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that Non-Guarantor Restricted Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the Non-Guarantor Restricted Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be subordinated in right of payment to any security in the assets of the Non-Guarantor Restricted Subsidiary and any Indebtedness of the Non-Guarantor Restricted Subsidiary senior to that held by the Issuer or such Guarantor.

The Security SPV Guarantee

The Notes will be guaranteed by a second-priority limited recourse South African law guarantee from the Security SPV to the Trustee on behalf of the holders of the Notes. The Security SPV will also provide a first-priority South African law guarantee in respect of the Senior Facilities and other Indebtedness of the Company and the Company's Subsidiaries. The Security SPV will, in turn, have the benefit of the Liens over the Collateral, as described below under "*—Collateral*", but in the event of enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Senior Facilities and the creditors under any other Indebtedness having the benefit of a first-priority guarantee from the Security SPV or secured by a first-priority lien have been repaid in full.

Principal, Maturity and Interest

The Issuer has issued $336,656,000 million in aggregate principal amount of Notes. The Issuer may issue additional Notes (the "**Additional Notes**") under the Indenture from time to time. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*". The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, except for certain waivers and amendments, provided that if any Additional Notes are not fungible with the Notes initially offered hereby for U.S. federal income tax purposes, such Additional Notes will not have the same CUSIP, ISIN or other applicable securities identifier as the original Notes. The Issuer has issued the Notes in minimum denominations of $1,000 and integral multiples of $1.00 in excess thereof. Whilst the Notes may only be traded in denominations of US$1,000 and in integral multiples of US$1.00 in excess thereof, for the purpose of the ICSDs the denominations are considered as 1. For the avoidance of doubt the ICSDs are not required to monitor or enforce the minimum amount. The Notes will mature on March 8, 2026.

For the period from and including March 9, 2021 to but excluding March 8, 2026, interest on the Notes will accrue per the annualized interest rates as set out in the table immediately below and be payable semi-annually, in arrears, on June 30 and December 31 of each year (or, if any such day is not a Business Day, on the next succeeding Business Day) (the "**Interest Payment Date**"), to the Person in whose name the Notes are registered at the close of business on the Record Date (as defined below), as the case may be; *provided that*, if a Note is authenticated between a Record Date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date. If a portion of the interest on the Notes is paid as PIK Interest (as defined below) and a portion of interest on the Notes is paid in cash ("**Cash Pay Interest**"), such PIK Interest and Cash Pay Interest shall be paid to the holders of the Notes *pro rata* in accordance with their interests.

"***Clearing System Business Day***" means a day on which Clearstream and Euroclear are open for business.

"***Record Date***" means the Clearing System Business Day immediately prior to the Interest Payment Date.

Interest Period	**Interest Payment Date**	**PIK / Cash Pay**

March 9, 2021 to June 30, 2021	June 30, 2021	Paid by increasing the principal amount of the outstanding Notes or by issuing Additional Notes having the same terms and conditions as the Notes in a principal amount equal to such interest (in increments of $1, with amounts of less than $1 rounded up) ("**PIK Interest**") at a rate of 10.5% per annum.
July 1, 2021 to December 31, 2021	December 31, 2021	PIK Interest at a rate of 10.5% per annum
January 1, 2022 to June 30, 2022	June 30, 2022	PIK Interest at a rate of 10.5% per annum
July 1, 2022 to December 31, 2022	December 31, 2022	PIK Interest at a rate of 10.5% per annum
January 1, 2023 to June 30, 2023	June 30, 2023	PIK Interest accrues at a rate of 10.5% per annum on 37.7778% of the aggregate principal amount of the Notes Cash Pay Interest accrues at a rate of 9.75% per annum on 62.2222% of the aggregate principal amount of the Notes
July 1, 2023 to December 31, 2023	December 31, 2023	Cash Pay Interest at a rate of 9.75% per annum
January 1, 2024 to June 30, 2024	June 30, 2024	Cash Pay Interest at a rate of 9.75% per annum
July 1, 2024 to December 31, 2024	December 31, 2024	Cash Pay Interest at a rate of 9.75% per annum
January 1, 2025 to June 30, 2025	June 30, 2025	Cash Pay Interest at a rate of 9.75% per annum
July 1, 2025 to December 31, 2025	December 31, 2025	Cash Pay Interest at a rate of 9.75% per annum
January 1, 2026 to March 8, 2026	March 8, 2026	Cash Pay Interest at a rate of 9.75% per annum

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Transfer and Exchange

Notes sold within the United States to Institutional Accredited Investors in reliance on one or more exemptions from registration under the U.S. Securities Act, including Section 4(a)(2) thereunder, will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Private Placement Global Note**"). Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Note**" and, together with the Private Placement Global Note, the "**Global Notes**").

Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear or Clearstream. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors*". In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the Private Placement Global Note, or the "**Private Placement Book-Entry Interests**", may be transferred to a Person who takes delivery in the form of Book-Entry Interests in a Regulation S Global Note, as applicable, or the "Reg S Book-Entry Interests", only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is

being made in accordance with Regulation S under the U.S. Securities Act. Any sale or transfer of such interest to U.S. persons shall not be permitted unless such resale or transfer is made pursuant to Rule 144A under the U.S. Securities Act or pursuant to another available exemption from the registration requirements of the U.S. Securities Act, in either case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. Subject to the foregoing, Reg S Book-Entry Interests may be transferred to a person who takes delivery in the form of Private Placement Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or pursuant to another available exemption from the registration requirements of the U.S. Securities Act, in either case in accordance with any applicable securities laws of any state or other jurisdiction of the United States and subject to the delivery to the Issuer of an opinion of counsel, certifications or other evidence as the Issuer may reasonably require.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If definitive Notes in registered form ("**Definitive Registered Notes**") are issued, they will be issued only in denominations of $1,000 and integral multiples of $1.00 in excess thereof upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture.

Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*".

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of $1,000 and integral multiples of $1.00 in excess thereof, to Persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder of the Notes, other than any Taxes payable in connection with such transfer or exchange.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 calendar days prior to the record date with respect to any interest payment date; or

(4) which the holder of the Notes has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "**Paying Agent**") for the Notes. The initial Paying Agent will be Deutsche Bank Trust Company Americas in New York.

The Issuer will also maintain one or more registrars (each, a "**Registrar**") with offices in New York. The Issuer will also maintain a transfer agent (the "**Transfer Agent**") in New York. The initial Registrar will be

Deutsche Bank Trust Company Americas. The initial Transfer Agent will be Deutsche Bank Trust Company Americas.

The Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the holders of the Notes. For so long as the Notes are listed on the Official List on Euronext Dublin and admitted to trading on the Regulated Market of Euronext Dublin, and its rules so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper having a general circulation in Ireland (which is expected to be the *Irish Times*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of Euronext Dublin (www.ise.ie).

Guarantees

The Notes will be guaranteed by the Company and each Subsidiary Guarantor. The Guarantees will be joint and several obligations of the Guarantors. Each Guarantee is a full and unconditional guarantee of the Issuer's obligations under the Notes, subject to the contractual limitations discussed below. See "*Certain Insolvency Law Considerations and Certain Limitations on Guarantees*". The Notes will initially be guaranteed on a senior basis by Petra Diamonds UK Treasury Limited, Petra Diamonds Southern Africa (Pty) Limited, Willcroft Company Limited, Blue Diamond Mines (Pty) Limited, Petra Diamonds Holdings SA (Pty) Limited, Premier (Transvaal) Diamond Mining Company (Pty) Limited, Finsch Diamond Mine (Pty) Limited, Ealing Management Services (Pty) Limited, Tarorite (Pty) Limited, Cullinan Diamond Mine (Pty) Limited, Petra Diamonds Belgium BV, Petra Diamonds Jersey Treasury Limited, Petra Diamonds Netherlands Treasury BV and Petra Diamonds UK Services Limited.

The obligations of the Guarantors will be contractually limited under the applicable Guarantees to an amount not to exceed the maximum amount that can be guaranteed by such Guarantor by applicable law or without resulting in its obligations under its Guarantee being voidable or unenforceable under applicable laws relating to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners. For a description of such limitations, see "*Risk Factors—Risks Relating to the Notes and the Company's Structure—Enforcing rights as a holder of the Notes or under the Guarantees across multiple jurisdictions may prove difficult or provide less protection than U.S. bankruptcy law and may preclude holders of the Notes from recovering payments due on the Notes*".

Guarantees Release

The Guarantee of a Subsidiary Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, amalgamation or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate the provisions set forth below under "*—Repurchase at the Option of Holders—Asset Sales*";

(2) in connection with any sale or other disposition of Capital Stock of that Guarantor (whether by direct sale or through a holding company) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate the provisions set forth below under "*—Repurchase at the Option of Holders—Asset Sales*" and as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Company;

(3) upon repayment in full of the Notes or upon Legal Defeasance or Covenant Defeasance as described below under the caption "*—Legal Defeasance and Covenant Defeasance*" or upon satisfaction and discharge of the Indenture as described under the caption "*—Satisfaction and Discharge*";

(4) upon the sale of all the Capital Stock of, or all or substantially all of the assets of, that Subsidiary Guarantor or its parent entity pursuant to a security enforcement sale in compliance with the Intercreditor Agreement and any Additional Intercreditor Agreement;

(5) upon the liquidation or dissolution of such Guarantor, provided no Default or Event of Default has occurred or is continuing;

(6) as described under "*—Amendment, Supplement, and Waiver*";

(7) upon such Guarantor consolidating with, merging into or transferring all or substantially all of its properties or assets to the Issuer or another Guarantor, and as a result of, or in connection with, such transaction such Guarantor dissolving or otherwise ceasing to exist; or

(8) as described in the fourth paragraph of the covenant described below under "*Certain Covenants Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*".

In addition, the Guarantee of the Company will be automatically and unconditionally released (and thereupon will terminate and be discharged and be of no further force and effect) upon repayment in full of the Notes or upon Legal Defeasance or Covenant Defeasance as described below under the caption "*—Legal Defeasance and Covenant Defeasance*" or upon a satisfaction and discharge of the Indenture that complies with the provisions under "*—Satisfaction and Discharge*" or, if the Company is not the surviving entity, as a result of any transaction involving the Company permitted under paragraph (1) of the covenant described under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*".

The Guarantees of Petra Diamonds Jersey Treasury Limited and Petra Diamonds Netherlands Treasury B.V. will be automatically and unconditionally released following completion of the relevant step in the Group Restructuring Plan.

The Guarantee of Willcroft Company Limited will be automatically and unconditionally released following completion of the Williamson Reorganization.

Upon any occurrence giving rise to a release as specified above, the Trustee or the Security SPV, as applicable, will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such guarantee.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction for, or on account of, such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction in which the Issuer or any Guarantor (including any successor entity) is then incorporated, organized, engaged in business for tax purposes or otherwise considered to be a resident for tax purposes or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any other jurisdiction from or through which payment on any such Note or Guarantee is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision or governmental authority thereof or therein having the power to tax (each, a "**Tax Jurisdiction**"),

will at any time be required by law to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, including payments of principal, redemption price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received by each holder of the Notes or Guarantees in respect of such payments after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts that would have been received by each holder of Notes or Guarantees in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable with respect to:

(1) any Taxes, to the extent such Taxes would not have been so imposed or levied but for the existence of any present or former connection between the holder or the beneficial owner (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over the relevant holder or beneficial owner, if the relevant holder or beneficial owner is an estate, nominee, trust, partnership or corporation) of the Notes and the relevant Tax Jurisdiction (including, without limitation, being a citizen or resident of such jurisdiction for Tax purposes, incorporated in or carrying on a business, having or maintaining a permanent establishment or being physically present in such jurisdiction), other than any connection arising solely from the acquisition, ownership or holding of such Note, the exercise or enforcement of rights under such Note or under a Guarantee or the receipt of any payments in respect of such Note, the exercise or enforcement of rights under such Note or a Guarantee;

(2) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of a Note for payment (where the Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder or beneficial owner (except to the extent that the holder or beneficial owner would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(3) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes, assessment or other governmental charge;

(4) any Taxes required to be paid other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Guarantee;

(5) any Taxes, to the extent such Taxes are imposed, withheld or deducted by reason of the failure of the holder or beneficial owner of Notes, to comply with any reasonable written request of the Issuer addressed to the holder or beneficial owner and made at least 30 days before any such withholding or deduction is to be made, to satisfy any certification, identification, information reporting or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to satisfy such requirements;

(6) any Taxes imposed, withheld or deducted on a payment of principal or interest on a Note or Guarantee to the holder of a Note who is a fiduciary, a partnership, a limited liability company or any person other than the sole beneficial owner of such payment, if such Tax would not have been imposed had the beneficiary or settlor with respect to such fiduciary, member of such partnership, an interest holder in such limited liability company or beneficial owner of such payment been the actual holder of the Note or Guarantee;

(7) any deduction or withholding of Taxes imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code; or

(8) any combination of the items above.

In addition to the foregoing, the Issuer and the Guarantors will also pay each holder or beneficial owner for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies (including penalties and interest related thereto) which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of any of the Notes, the Indenture, any Guarantee or any other document referred to therein or on the receipt of any payments with respect thereto and by any jurisdiction on the enforcement of the Notes, the Indenture, any Guarantee or any other document referred to therein (other than, in each case, in connection with a transfer of the Notes after this offering and limited solely to the extent of such taxes or similar charges or levies that arise from the receipt of any payments

of principal or interest on the Notes, to any such taxes or similar charges or levies that are not excluded under paragraphs (1) through (3) and (7) through (8) above).

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Guarantee, each of the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee and the Paying Agents promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders on the relevant payment date. The Trustee and the Paying Agents shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer or the relevant Guarantor, as the case may be, will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Issuer or the relevant Guarantor will make or will cause to be made all withholdings and deductions for, or on account of, Tax required by law and will remit or will cause to be remitted the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to the Trustee and the Paying Agent (or to a holder upon written request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity. Additionally, if the Issuer or any Guarantor is, in respect of any payment, compelled to withhold or deduct any amount for or on account of Tax as specifically contemplated hereunder, it shall give notice of that fact to the Trustee and each Paying Agent promptly upon becoming aware of the requirement to make the withholding or deduction and shall give to the Trustee and each Paying Agent such information as it may require to enable it to comply with the requirement.

Whenever in the Indenture or in this "*Description of Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, purchase price in connection with a purchaser of Notes, interest or any other amount payable under, or with respect to, any of the Notes or any Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture or any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, organized, engaged in business for tax purposes or otherwise resident for tax purposes or any jurisdiction from or through which such Person makes any payment on, or with respect to, the Notes (or any Guarantee) and any department or political subdivision or taxing authority or agency thereof or therein.

Collateral

General

The assets and property of the Company and its Subsidiaries that are from time to time subject to, or required to be subject to, a Lien in favor of the Security SPV pursuant to the Security Documents are referred to as the "**Collateral**". Prior to the Issue Date, the Company and certain of its Subsidiaries, including the Issuer, created Liens in favor of the Security SPV over the following assets and property:

- the mining rights of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Cullinan Diamond Mine (Pty) Limited;
- the shares in and claims against certain of the Guarantors and other Subsidiaries of the Company;

- bank accounts of the Company and certain of the Guarantors operated in South Africa, Jersey, The Netherlands, Belgium and the United Kingdom;
- insurances (including the proceeds thereof) held by the Company and certain of the Guarantors;
- certain claims against debtors and other third parties of the Company and certain Guarantors;
- the immovable property of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Premier (Transvaal) Diamond Mining Company (Pty) Limited;
- certain specified movable property and assets, including for example various vehicles and machinery and equipment (including certain mining and drilling equipment), of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Cullinan Diamond Mine (Pty) Limited;
- moveable property and assets of Blue Diamond Mines (Pty) Limited, Finsch Diamond Mine (Pty) Limited and Cullinan Dimond Mine (Pty) Limited;
- receivables under certain intercompany loans;
- shares, intercompany loans, contract rights and other assets of Petra Diamonds UK Treasury Limited, Petra Diamonds US$ Treasury Plc, Petra Diamonds Limited and Petra Diamonds UK Service Limited pursuant to English law governed fixed and floating charges;
- security over intra-group offtake receivables and inventory (unless and until inventory is sold to third parties);
- security over courier contracts in respect of inventory and related rights; and
- other rights, property or assets from time to time over which a Lien has been granted to, directly or indirectly, secure the obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture.

The Liens securing the Notes and the Guarantees also secure the obligations of the Issuer and the Guarantors under the Senior Facilities and certain hedging obligations on a first priority basis. The security and other agreements in respect of the Collateral are referred to as the "**Security Documents**". See "*Description of Certain Financing Arrangements*".

The Security SPV has guaranteed, on a second-priority basis, the Notes and the Guarantees. Under the Security Documents, the Collateral is granted by the Issuer and the Guarantors in favor of the Security SPV to secure the Security SPV's guarantee of the Notes and the Guarantees. The Security Documents have been or will be entered into by, among others, the Trustee and the Security SPV. See "*—Security SPV*". In the event of enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Senior Facilities and the creditors under any other Indebtedness secured by a first-priority lien have been repaid in full.

Each holder of Notes, by accepting a Note, shall be deemed to have authorized the Trustee to accede to the Intercreditor Agreement and to be bound thereby. Each holder of Notes, by accepting a Note, appoints the Trustee or the Security SPV, as the case may be, as its agent under the Security Documents and the Intercreditor Agreement and authorizes it to act as such.

The security interests in the Collateral will not be granted directly to the holders of the Notes or the Trustee for the benefit of the holders of the Notes. Instead the security interests have been granted to the Security SPV which will, in turn, provide a guarantee to the Trustee for the holders of the Notes and the lenders under the Senior Facilities. Subject to the enforcement provisions in the Indenture, the Trustee for the holders of the Notes is therefore not entitled to take any direct enforcement action with respect to the Collateral other than through the guarantee granted to it by the Security SPV. The Security SPV will be instructed by the Instructing Group (as defined in the Intercreditor Agreement). See "*—Security SPV*" and "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

The Security SPV will agree to any release of a security interest created by the Security Documents that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the holders. The Trustee will have the ability to direct the Security SPV to commence enforcement action under the Security Documents in certain limited circumstances. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Subject to the terms of the Security Documents, the Issuer and the Guarantors, as the case may be, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of the shares that are part of the Collateral.

The value of the Collateral securing the obligations of the Security SPV under its guarantee of the Notes and the Guarantees may not be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes and the Guarantees, and the Collateral so available may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. See "*Risk Factors—Risks Relating to the Collateral Securing the Notes—The value of the Collateral securing the Notes may not be sufficient to satisfy the obligations under the Notes*", "*—Risks Relating to the Notes and the Company's Structure— Claims of the Company's first-priority senior secured creditors will have priority with respect to their security over the claims of the holders of the Notes, and the claims of holders of the Notes will be effectively subordinated to the rights of the Company's existing and future secured creditors to the extent of the value of the assets securing such creditors which do not also secure the Notes*".

No appraisals of the Collateral have been prepared by or on behalf of the Issuer or the Guarantors in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Guarantees. By its nature, some or all the Collateral may be illiquid and may have no readily ascertainable market value. Further, some or all of the Collateral may not be transferrable without relevant government or other regulatory authority which may not be granted in a timely manner or at all. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all. See "*Risk Factors—Risks Related to the Collateral Securing the Notes—The value of the Collateral securing the Notes may not be sufficient to satisfy the obligations under the Notes*" and "*—There may not be sufficient collateral to pay all or any portion of the Notes and the collateral securing the Notes may be reduced or released under certain circumstances. The collateral securing the Notes is subject to first priority claims under the Senior Facilities*".

The Security Documents are governed by South African law or the laws of the other jurisdictions to which the Collateral is subject and provide that the rights with respect to the Notes and the Indenture must be exercised by the Security SPV and in respect of the entire outstanding amount of the Notes. The term "**Security Interests**" refers to the interest created by the Liens on the Collateral.

For a description of the Intercreditor Agreement, see "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Under the Indenture, the Company and its Restricted Subsidiaries will be permitted to incur certain additional Indebtedness in the future that may share in the Collateral, including Indebtedness with priority rights to the Collateral. The amount of such additional Indebtedness will be limited by the covenants described under the captions "*—Certain Covenants—Liens*" and "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*". Under certain circumstances, the amount of such additional Indebtedness that may share in the Collateral could be significant.

Each of the Company and its Restricted Subsidiaries shall, and shall procure that each of its respective Subsidiaries, if any, shall, at its own expense, execute and do all such acts and things and provide such assurances as the Security SPV may reasonably require: (i) for registering any Security Document relating to the Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the Indenture, the relevant Security Document and the Intercreditor Agreement, for facilitating the realization of all or any part of the assets which are subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security SPV or in any

receiver of all or any part of the Collateral. Each of the Company and its Restricted Subsidiaries shall, and shall procure that each of its respective Subsidiaries, if any, shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security SPV or to its nominees and give such notices, orders and directions which the Security SPV may reasonably request.

Security SPV

The Security SPV is a special purpose company incorporated under the laws of the Republic of South Africa. The Trustee for the Notes, the lenders under the Senior Facilities, the B-BBEE Partner and the Security SPV have entered into or will accede to, as applicable, the Intercreditor Agreement governing, among other things, the enforcement of security interests in the Collateral. Future lenders under the Senior Facilities may become signatories to the Intercreditor Agreement. The Intercreditor Agreement is governed by English law and provides that the Trustee on behalf of the holders of the Notes has the exclusive authority to direct and instruct the Security SPV as to the enforcement of the security interests in the Collateral and as to the release of any security interests in the Collateral.

The Notes will be guaranteed by a second-priority limited recourse South African law guarantee from the Security SPV (the "**Notes SPV Guarantee**") to the Trustee for the benefit of the holders of the Notes. The Notes SPV Guarantee have guaranteed the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Guarantees. Subject to the enforcement provisions in the Indenture, the Trustee for the holders of the Notes will not be entitled to take any direct enforcement action with respect to the Collateral other than through the Notes SPV Guarantee.

The lenders under the Senior Facilities will also benefit from a first-ranking limited recourse South African law guarantee from the Security SPV (the "**Senior Facilities SPV Guarantee**" and, together with the Notes SPV Guarantee, the "**SPV Guarantees**"). The Senior Facilities SPV Guarantee guarantees the obligations of the Company and certain of its Subsidiaries under the Senior Facilities. The Issuer and the Guarantors will, pursuant to the Counter-Indemnity Agreement governed by South African law, indemnify the Security SPV in respect of the SPV Guarantees. The Issuer's and the Guarantors' obligations under the Counter-Indemnity Agreement are secured by security interests in the Collateral. In the event of enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Senior Facilities and the creditors under any other Indebtedness secured by a first-priority lien have been repaid in full.

Pursuant to the SPV Guarantees and the Intercreditor Agreement, any distribution to the holders of each of the SPV Guarantees of the proceeds from the sale of any Collateral will be allocated first to holders of the Senior Facilities SPV Guarantee and once the Senior Facilities liabilities have been satisfied in full, to the holders of the Notes SPV Guarantee in accordance with the obligations created by such SPV Guarantee. See "*Risk Factors—Risks Relating to the Notes and the Company's Structure—The value of the Collateral securing the Notes may not be sufficient to satisfy the obligations under the Notes*".

The Security SPV's recourse to the Issuer and the Guarantors under the Counter-Indemnity Agreement will be limited to the Collateral. The Notes SPV Guarantee and the Counter-Indemnity Agreement will each be governed by South African law.

Priority

The relative priority among (i) the lenders under the Senior Facilities, (ii) the counterparties under certain Hedging Obligations and (iii) the Trustee and the holders of the Notes under the Indenture, with respect to the Collateral and the security interests securing obligations under the Notes created by the Security Documents, is established by the terms of the Intercreditor Agreement, which provides, among other things, that in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Senior Facilities and the counterparties under certain Hedging Obligations have been repaid in full.

The creditors under Indebtedness secured by a first-priority lien, including the Senior Facilities, will have the exclusive right to make all decisions with respect to the enforcement of the Collateral and the Trustee and the Security SPV will not be permitted to enforce the Collateral even if an Event of Default under the Indenture has occurred and the Notes have been accelerated except (a) in connection with certain events of bankruptcy

or insolvency described in the Indenture, as necessary to file a proof of claim or statement of interest with respect to the Notes or (b) as necessary to take any action in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and the perfection and priority of its Lien on, the Collateral. For a description of security enforcement and other intercreditor provisions, please see "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Intercreditor Agreement

The Security SPV and the lenders under the Senior Facilities entered into the Intercreditor Agreement on May 4, 2015. On April 12, 2017, the Trustee acceded to the Intercreditor Agreement as a "**Notes Trustee**" (as defined in the Intercreditor Agreement) for holders of the Notes. On March 9, 2021, The Intercreditor Agreement was amended and restated. The Intercreditor Agreement governs, among other things, the rights and obligations of the "**First-Lien Creditors**" (as defined in the Intercreditor Agreement and including lenders under the Senior Facilities and certain hedging counterparties), in respect of enforcement of the Guarantees and the Collateral. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*".

Although the Indenture will contain limitations on the amount of additional Indebtedness that the Issuer, the Guarantors and the Non-Guarantor Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial.

If the Security SPV sells the shares of any Subsidiary Guarantor, the Guarantee of any such Guarantor (and any Guarantor that is a subsidiary of such Guarantor) will automatically release pursuant to an enforcement action, in accordance with the Intercreditor Agreement and if the Security SPV sells any of the Collateral as instructed in accordance with the Intercreditor Agreement, the Lien on the Collateral in favor of the Security SPV will automatically release, in each case; provided that the disposal in question:

- is effected either (i) pursuant to a public auction or (ii) where an internationally recognized investment bank selected by the Security SPV has delivered to the Trustee an opinion that the disposal price of the relevant share capital or assets is fair from a financial point of view after taking into account all relevant circumstances;
- is for cash (or substantially all cash); and
- any liabilities owed to the creditors under our Senior Facilities by any member of the Group whose shares are being disposed of and from any subsidiary of such member of the Group are also being released.

To establish the relative rights of certain creditors of the Company under its financing arrangements, including, without limitation, the Notes, the Senior Facilities and certain Hedging Obligations, the Issuer, each Guarantor, the agent under the Senior Facilities and the Security SPV has entered into the Intercreditor Agreement, to which the Trustee will accede on the Issue Date. Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of Indebtedness secured by a first-priority lien, including obligations under the Senior Facilities and Hedging Obligations with respect to interest rate and foreign currency exchange rate hedging that are permitted to be incurred by clause (8) of the definition of "**Permitted Debt**" and are secured by the Collateral will receive priority with respect to any proceeds received from the sale of any Collateral in the event of any enforcement of the same. Any proceeds received upon any enforcement over any Collateral, after all Obligations under such Indebtedness secured by a first-priority lien have been repaid from such recoveries, will be applied *pro rata* in repayment of all Obligations under the Indenture and the Notes and any other Indebtedness of the Issuer and the Guarantors permitted to be secured by the Collateral on a *pari passu* basis with the Notes pursuant to the Indenture and the Intercreditor Agreement. The Trustee and the Security SPV will not be permitted to enforce the Collateral even if an Event of Default under the Indenture has occurred and the Notes have been accelerated except (a) in connection with certain events of bankruptcy or insolvency described in the Indenture, as necessary to file a proof of claim or statement of interest with respect to the Notes or (b) as necessary to take any action in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and the perfection and priority of its Lien on, the Collateral. Please see "*Description of Certain Financing Arrangements—Intercreditor Agreement— Distressed Disposals*".

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Company, in connection with the incurrence by the Company or any of its Restricted Subsidiaries of any Indebtedness that is permitted to be secured by the Collateral pursuant to the definition of "Permitted Collateral Liens," the Issuer, the relevant Guarantors, the Trustee and the Security SPV shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement, or a restatement, amendment or other modification of an existing intercreditor agreement (an "**Additional Intercreditor Agreement**"), on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders of the Notes); provided, further, that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security SPV or adversely affect the personal rights, duties, liabilities or immunities of the Trustee and the Security SPV under the Indenture or the Intercreditor Agreement. For the avoidance of doubt, subject to the foregoing and the succeeding paragraph, any such Additional Intercreditor Agreement may provide for senior security interests in respect of any such Indebtedness (to the extent such Indebtedness is permitted to be secured by the Collateral pursuant to the definition of "Permitted Collateral Liens") or any pari passu or junior security interests in respect of any such Indebtedness (to the extent such Indebtedness was permitted to be incurred under the Indenture); provided that such Additional Intercreditor Agreement shall not provide for any additional standstill periods as it relates to the enforcement of the Collateral by the Security SPV on behalf of the Trustee and the holders of the Notes. If more than one such intercreditor agreement is outstanding at any one time, the collective terms of such intercreditor agreements must not conflict and must be no more disadvantageous to the holders of the Notes than if all such Indebtedness was a party to one such agreement.

At the direction of the Company and without the consent of the holders of the Notes, the Trustee and the Security SPV will from time to time enter into one or more amendments and/or restatements to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) add Subsidiary Guarantors or other parties (such as representatives of new issuances of Indebtedness) thereto; (iii) further secure the Notes (including Additional Notes); (iv) make provision for equal and ratable grants of Liens on the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens to the extent permitted by the Indenture; (v) subject to the preceding paragraph, to provide for additional Indebtedness (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes) to the extent permitted under the Indenture) or any other obligations that are permitted by the terms of the Indenture to be incurred and secured by a Lien on the Collateral on a senior, pari passu or junior basis with the Liens securing the Notes or the Guarantees; (vi) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement; (vii) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof; (viii) increase the amount of the Credit Facilities or Ancillary Facilities covered by any such agreement, the incurrence of which is not prohibited by the Indenture; or (ix) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect. The Company will not otherwise direct the Trustee or the Security SPV to enter into any amendment and/or restatement to the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement, without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*", and the Company or Issuer may only direct the Trustee and the Security SPV to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security SPV.

Release of the Collateral

The Collateral will be released from the Lien over such Collateral:

(1) other than with respect to any Liens over the Capital Stock of the Issuer or the Company, in connection with any sale, assignment, transfer, conveyance or other disposition of such property or assets to a Person that is not (either before or after giving effect to such transaction) the Company or any of its Restricted Subsidiaries, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under "*Certain Covenants—Merger, Consolidation or Sale of Assets*";

provided that following such merger, consolidation, conveyance or transfer, a Lien of at least equivalent ranking over the same assets or property is granted in favor of the Security SPV (on its own behalf and on behalf of the Trustee) to the extent such assets or property continue to exist as assets or property of the Company or a Restricted Subsidiary (or the Person formed by or surviving such transaction);

(3) in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor (which, for the avoidance of doubt, shall include the release of any Lien on the Capital Stock of Willcroft Company Limited and its assets, including its existing stake in WDL, following the completion of the Williamson Reorganization);

(4) upon repayment in full of the Notes or upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*";

(5) in the case of a security enforcement sale in compliance with the Intercreditor Agreement, and any Additional Intercreditor Agreement the release of the property and assets subject to such enforcement sale;

(6) upon the full and final payment and performance of all financial obligations of the Issuer and the Guarantors under the Indenture and the Notes;

(7) in accordance with the caption entitled "*—Amendment, Supplement and Waiver*";

(8) in accordance with the covenant described under "*—Certain Covenants—No Impairment of Security Interest*"; and

(9) upon a release of the Lien that resulted in the creation of the Lien under the covenant described under the caption "*—Certain Covenants—Liens.*

The foregoing will not cause or permit, directly or indirectly, the Lien on the Capital Stock of the Issuer

and Petra Diamonds UK Treasury Limited to be released, other than as expressly provided by (2), (4), (5), (6), (7), (8) and (9) above.

Upon any occurrence giving rise to a release as specified above, the Trustee (if required) or the Security SPV, as applicable, will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Lien.

Optional Redemption

Except as otherwise described below, the Notes will not be redeemable at the Issuer's option prior to maturity. The Issuer is not, however, prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise, so long as the acquisition does not violate the terms of the Indenture.

At any time prior to March 9, 2023 the Issuer may also redeem, in whole or in part, the Notes at a redemption price equal to 100% of the principal amount of Notes to be redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding paragraph and except pursuant to "*—Redemption for Changes in Taxes*", the Notes will not be redeemable at the Issuer's option prior to March 9, 2023.

On or after March 9, 2023, the Issuer may on any one or more occasions redeem all or a part of the Notes at the redemption prices (expressed as percentages of principal amount) indicated in the table below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on March 9 of the years indicated below,

subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date.

Year Redemption Price

2023	104.88%
2024	102.44%
2025 and thereafter	100.0000%

All redemptions of the Notes will be made upon not less than 10 days' nor more than 60 days' prior written notice (with a copy to the Trustee and the Paying Agent), except that a redemption notice may be made more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Notice of any redemption including, without limitation, upon an Equity Offering may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. In addition, subject to the procedures and processes of Euroclear or Clearstream, as applicable, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (provided, however, that, in any case, such redemption date shall be no more than 60 days from the date on which such notice is first given), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed. Notwithstanding anything else in the Indenture or the Notes to the contrary, redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture (subject to the requirement in the case of a satisfaction and discharge of the Indenture that Notes not delivered to the Trustee for cancelation have become due and payable or will become due and payable or be called for redemption within one year).

Redemption for Changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior written notice to the holders of the Notes, with a copy to the Trustee and the Paying Agent (which notice will be irrevocable and given in accordance with the procedures described in "—*Selection and Notice*"), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Issuer or a Guarantor is or would be required to pay Additional Amounts and the Issuer or relevant Guarantor cannot avoid any such payments obligation by taking reasonable measures available to the Issuer or relevant Guarantor (including making payments through a Paying Agent located in another jurisdiction and, in the case of a Guarantor, such payments being made by the Issuer or another Guarantor who can make such payments without the obligation to pay Additional Amounts), and the Issuer determines that the requirement arises as a result of:

(1) any amendment to, or change in, the laws or any regulations, treaties or rulings promulgated thereunder of a relevant Tax Jurisdiction which change or amendment has not been formally announced before and becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or

(2) any amendment to, introduction of, or change in, an official interpretation, administration or application of such laws, regulations, treaties or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice or revenue guidance) which amendment or change has not been formally announced before and becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date).

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Issuer or relevant Guarantor would be obligated to make such payment or withholding if a payment in respect of the Notes was then due, and the obligation under the Indenture to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee an opinion of an independent tax counsel reasonably acceptable to the Trustee, to the effect that

there has been such amendment or change which would entitle the Issuer to redeem the Notes hereunder, along with an Officer's Certificate to the effect that the Issuer or relevant Guarantor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of the satisfaction of the conditions precedent as described above, without further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Repurchase at the Option of Holders—Change of Control*" and "*—Asset Sales*". The Company and any Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to $1,000 and integral multiples of $1.00 in excess thereof) of that holder's Notes pursuant to an offer ("**Change of Control Offer**") on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment in cash (the "**Change of Control Payment**") equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment Date**"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Issuer will mail a notice to each holder or otherwise deliver a notice in accordance with the procedures described under "*—Selection and Notice*", describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with an agent to be appointed by the Issuer (such as the Paying Agent) an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted.

Such Agent will promptly mail (or cause to be delivered) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be

transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in a principal amount of $1,000 or integral multiples of $1.00 in excess thereof. Any Note so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date unless the Issuer defaults in making the Change of Control Payment. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described herein that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the time and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described above under the caption "*—Optional Redemption*", unless and until there is a default in payment of the applicable redemption price.

The occurrence of certain events that would constitute a Change of Control could constitute a default under the Senior Facilities. The Company's future indebtedness and the future indebtedness of its Subsidiaries may also contain descriptions of certain events that, if they occurred, would require such indebtedness to be repurchased. In addition, the exercise by the Holders of their right to require a repurchase of the Notes upon a Change of Control could cause a default under the Senior Facilities and any such future indebtedness, even if the Change of Control itself does not, due to the possible financial effect on the Issuer or the Guarantors of such repurchase.

If a Change of Control Offer is made, there can be no assurance that the Issuer will have sufficient funds or other resources to pay the Change of Control Payment for all the Notes that might be delivered by holders thereof seeking to accept the Change of Control Offer. See "*Risk Factors—Risks Relating to the Notes and the Company's Structure—The Issuer may not have the ability to raise the funds necessary to finance a change of control offer if required by the Indenture*".

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin, the Issuer will publish notices relating to the Change of Control Offer in a leading newspaper of general circulation in Ireland (which is expected to be the *Irish Times*) or, to the extent and in the manner permitted by the rules of Euronext Dublin, post such notices on the official website of Euronext Dublin (www.ise.ie).

Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to consummate an Asset Sale unless:

(1) the Company (or such Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as recorded on the most recent consolidated balance sheet of the Company or any of its Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantee) that are assumed by the transferee of any such assets pursuant to an agreement that releases the Company or such Restricted Subsidiary from further liability or indemnifies the Company or such Restricted Subsidiary against further liabilities in full;

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

(c) any Designated Non-Cash Consideration received by the Company or any of its Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of (x) $5.0 million and (y) 0.50% of Total Assets at the time of the receipt of such Designated Non-Cash Consideration (with the Fair Market Value of each item of Designated Non- Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(d) Indebtedness (other than Subordinated Obligations of the Issuer or any Subsidiary Guarantors) of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of such Indebtedness in connection with such Asset Sale;

(e) consideration consisting of Indebtedness (other than Subordinated Obligations) of the Issuer or any Guarantor received from Persons who are not the Company or any Restricted Subsidiary; and

(f) Replacement Assets.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the relevant Restricted Subsidiary, as the case may be) may apply such Net Proceeds (at the option of the Company or such Restricted Subsidiary):

(1) to purchase the Notes pursuant to an offer to all holders of Notes at a purchase price equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of purchase (a "**Notes Offer**");

(2) (i) to repay or prepay any then outstanding Indebtedness of the Issuer or any Guarantor (a) outstanding under clause (1) of the definition of Permitted Debt and secured by a Lien on the Collateral or (b) that is not Public Debt and that is secured by a Lien on the Collateral and, in the case of each of (a) and (b), that is not subordinated in right of payment to the Notes or any Guarantee and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; or (ii) to make an Asset Sale Offer (as defined below) to all holders of the Notes and holders of other Indebtedness that is secured by a Lien on the Collateral and that is not subordinated in right of payment to the Notes or any Guarantee;

(3) to purchase or permanently prepay or redeem or repay (i) any Indebtedness that is secured only by Liens on assets or property that do not constitute Collateral and, if the Indebtedness prepaid, redeemed or repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto or (ii) any Indebtedness of a Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to the Company or another Restricted Subsidiary (or any Affiliate thereof);

(4) to invest in Additional Assets;

(5) to make capital expenditures in respect of the Company's or its Restricted Subsidiaries' Permitted Business, provided that such capital expenditures have been approved by a capital expenditure plan by the Board of Directors of the Company; or

(6) enter into a binding commitment to apply the Net Proceeds pursuant to clause (2), (3), (4) or (5) of this paragraph; provided that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such investment, acquisition or expenditure is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period.

Pending the final application of any Net Proceeds, the Company or its applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture. Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "**Excess Proceeds**".

When the aggregate amount of Excess Proceeds exceeds $15 million, within ten Business Days thereof, the Issuer will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent notified by the Issuer in such notice, make an offer to all holders of other Indebtedness that is *pari passu* with the Notes or any Guarantees to purchase, prepay or redeem with the proceeds of sales of assets to purchase, prepay or redeem the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Asset Sale Offer will be equal to at least 100% of the principal amount and the offer price for any *pari passu* Public Debt may be no greater than 100% of the principal amount, in each case, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to a Notes Offer exceeds the amount of the Net Proceeds so applied, the Issuer will select the Notes and such other *pari passu* Indebtedness, if applicable, to be purchased on a *pro rata* basis (or in the manner described under "—*Selection and Notice*") unless otherwise required by applicable law or applicable stock exchange or depositary requirements, based on the amounts tendered or required to be prepaid or redeemed. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the U.S. Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer, an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control, Asset Sale or Notes Offer provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control, Asset Sale or Notes Offer provisions of the Indenture by virtue of such compliance.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed on a by lot basis to the extent practicable or, to the extent that selection on a by lot basis is not practicable for

any reason, by such other method as required by the rules of Euroclear or Clearstream, as applicable. The Trustee will not be liable for any selections made under this paragraph.

No Notes of $1,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. In the case of certificated Notes, a new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancelation of the original Note. A notice of redemption shall state whether the redemption is conditioned on any events and, if so, a detailed explanation of such conditions.

Subject to the satisfaction of any conditions precedent set forth in a notice of redemption, Notes called for redemption become due on the date fixed for redemption. On or after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes that are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Regulated Market of Euronext Dublin, and the rules Euronext Dublin so requires, any such notice to the holders of the relevant Notes whether represented by global certificates or held in definitive form, shall also be published in a newspaper having a general circulation in Ireland (which is expected to be the *Irish Times*) or, to the extent and in the manner permitted by such rules, posted on the official website of Euronext Dublin (www.ise.ie) and, in connection with any redemption, the Issuer will notify Euronext Dublin of any change in the principal amount of Notes outstanding.

Certain Covenants

Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(A) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any such payment or distribution made in connection with any merger, amalgamation or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer and other than dividends or distributions payable to the Company or a Restricted Subsidiary of the Company);

(B) purchase, redeem or otherwise acquire or retire for value (including, without limitation, any such purchase, redemption, acquisition or retirement made in connection with any merger, amalgamation or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company, in each case held by Persons other than the Company or a Restricted Subsidiary of the Company;

(C) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, prior to the Stated Maturity thereof, any Indebtedness of the Company or any Guarantor that is expressly contractually subordinated in right of payment to the Notes or to any Guarantee (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries), except (i) a payment of principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal instalment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition; or

(D) make any Restricted Investment,

(all such payments and other actions set forth in clauses (A) through (D) above being collectively referred to as "**Restricted Payments**"), unless, in respect of a Restricted Payment in respect of paragraph (A) above only, at the time of and after giving effect to such Restricted Payment, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) the Company would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable two full fiscal half-years, have had a Consolidated Net Total Leverage Ratio equal to or less than 1.00 to 1.00; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries since the Issue Date under this provision, is equal to or less than 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from January 1, 2021 to the end of the Company's most recently ended fiscal half-year for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit).

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Company (to the extent the net cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of such Restricted Payments pursuant to clause (5) of this paragraph); provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (5) of this paragraph;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company or any Guarantor that is contractually subordinated to the Notes or to any Guarantee (i) with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness repurchase, redemption, defeasance or other acquisition or retirement for value;

(4) solely in accordance with the Accounts Agreement and the Intercreditor Agreement, the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Company to the holders of its Equity Interests (other than the Company or any Restricted Subsidiary) on no more than a *pro rata* basis (other than with respect to WDL which may make such payments in any applicable proportions required under its agreements or under relevant legislation);

(5) the defeasance, repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any of the Company's (or any of its Restricted Subsidiaries') current or former officers, directors, employees or consultants pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed $5.0 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over into succeeding calendar years, subject to a maximum amount of $10.0 million) and provided, further, that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds from the sale of Equity Interests of the Company or a Restricted Subsidiary received by the Company or a Restricted Subsidiary during such calendar year, in each case to members of management,

directors or consultants of the Company, any of its Restricted Subsidiaries or any of its direct or indirect Company companies to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (2) of this paragraph;

(6) the defeasance, repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary of the Company held by any of the Company's (or any of its Restricted Subsidiaries') current or former directors or employees in connection with the exercise or vesting of any equity compensation (including, without limitation, stock options, restricted stock and phantom stock) in order to satisfy the Company's or such Restricted Subsidiary's tax withholding obligation with respect to such exercise or vesting;

(7) repurchases of Subordinated Obligations at a purchase price not greater than (i) 101% of the principal amount of such Subordinated Obligations and accrued and unpaid interest thereon in the event of a Change of Control or (ii) 100% of the principal amount of such subordinated Indebtedness and accrued and unpaid interest thereon in the event of an Asset Sale, in each case plus accrued interest, in connection with any change of control offer or asset sale offer required by the terms of such Subordinated Obligations, but only if:

(a) in the case of a Change of Control, the Issuer has first complied with and fully satisfied its obligations under the provisions described under "*—Repurchase at the Option of Holders Change of Control*"; or

(b) in the case of an Asset Sale, the Issuer has complied with and fully satisfied its obligations in accordance with the covenant under the heading, "*—Repurchase at the Option of Holders—Asset Sales*";

(8) the repurchase, redemption or other acquisition for value of Capital Stock of the Company representing fractional shares of such Capital Stock in connection with a merger, consolidation, amalgamation or other combination involving the Company or any other transaction permitted by the Indenture;

(9) repurchases of Capital Stock deemed to occur upon the exercise of stock options to the extent such Capital Stock represents a portion of the exercise price thereof;

(10) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;

(11) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Company or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Issuer (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock); provided that the total aggregate amount of Restricted Payments made under this clause (12) does not exceed $5.0 million in any calendar year; and

(12) so long as no Default has occurred and is continuing or would be caused thereby, other Restricted Payments in an aggregate amount not to exceed $1.5 million since the Issue Date.

For purposes of determining compliance with this "Restricted Payments" covenant, in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories described in clauses (1) through (14) above, or is permitted pursuant to the first paragraph of this covenant and/or one or more of the clauses contained in the definition of "**Permitted Investments**", the Issuer, in its sole discretion, will be entitled to divide or classify such Restricted Payment or Investment (or portion thereof) on the date of

its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. Unsecured Indebtedness shall not be deemed to be subordinate or junior to secured Indebtedness by virtue of its nature as unsecured Indebtedness.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "**incur**") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Debt**"):

(1) the incurrence by the Company and any Restricted Subsidiary that is a Guarantor of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed ZAR2,024.0 million and (y) the incurrence by the Company and any Restricted Subsidiary that is a Guarantor of Indebtedness under Ancillary Facilities in an aggregate principal amount at any one time outstanding under this subparagraph (i)(y) not to exceed ZAR 1,077.0 million;

(2) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date after giving *pro forma* effect to the Restructuring;

(3) the incurrence by the Issuer of Indebtedness represented by the Notes to be issued on the date of the Indenture and any Notes issued as scheduled PIK Interest under the Indenture and the incurrence by any Guarantor of a Guarantee at any time;

(4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price, lease expense, rental payments or cost of design, construction, installation or improvement of property (real or personal), plant or equipment or other capital assets used in the business of the Company or any of its Restricted Subsidiaries, whether through the direct purchase of assets or the Capital Stock of any Person owning such property, plant or equipment or other capital assets (including any Indebtedness deemed to be incurred in connection with such purchase) (it being understood that any such Indebtedness may be incurred after the acquisition or purchase or the construction, installation or the making of any improvement with respect to such property, plant or equipment or other capital assets) in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed the greater of (x) $120.0 million and (y) 1.00% of Total Assets at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, redeem, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under clauses (2) or (3) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; provided, however, that:

(a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and ((i) except in respect of the intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Company and its Restricted Subsidiaries and (ii) only

to the extent legally permitted (the Company and its Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)) expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or any Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of preferred stock; provided, however, that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Company or a Restricted Subsidiary of the Company,

will be deemed, in the case of each of (a) and (b), to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations not for speculative purposes (as determined in good faith by a responsible financial or accounting officer of the Company) and in an amount of up to ZAR 300.0 million in aggregate;

(9) the Guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this covenant; provided that if the Indebtedness being Guaranteed is subordinated to the Notes or *pari passu* with a Guarantee, the guarantee must be subordinated, in the case of the Notes or subordinated or *pari passu*, as applicable, in the case of a Guarantee, in each case, to the same extent as the Indebtedness Guaranteed;

(10) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within 30 Business Days of such incurrence;

(11) Indebtedness in respect of self-insurance obligations or captive insurance companies or consisting of the financing of insurance premiums in the ordinary course of business;

(12) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness arising from agreements of the Company or any of its Restricted Subsidiaries providing for indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Capital Stock of a Subsidiary, provided that the maximum aggregate liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(13) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness in respect of (A) letters of credit, bid, performance, appeal, surety, reclamation, remediation, rehabilitation and similar bonds, completion guarantees, judgment, advance payment, customs, VAT or similar instruments

issued for the account of the Company and any of its Restricted Subsidiaries in the ordinary course of business in each case, other than an obligation for money borrowed (other than advances or credit for goods and services in the ordinary course of business and on terms and conditions that are customary in a Permitted Business and other than the extension of credit represented by such letter of credit, bond, Guarantee or other instrument itself), including Guarantees and obligations of the Company or any of its Restricted Subsidiaries with respect to letters of credit or similar instruments supporting such obligations or in respect of self-insurance and workers compensation obligations; and (B) any customary cash management, cash pooling or netting or setting off arrangements;

(14) Guarantees by the Company or any of its Restricted Subsidiaries of any Management Advances;

(15) Indebtedness represented by Guarantees of pension fund obligations of the Company or any Restricted Subsidiary required by law or regulation; and

(16) the incurrence by WDL of Indebtedness in an aggregate amount at any one time outstanding pursuant to this clause (17) not to exceed $25.0 million, provided that, subject to the next proviso, such Indebtedness is not Guaranteed by the Company or any of its Restricted Subsidiaries; provided further, that it may be Guaranteed by any subsidiary of Williamson Newco, WDL or Willcroft and may only be secured on the assets of WDL or any of its Subsidiaries.

The Company will not, and will not permit the Issuer or any Subsidiary Guarantor to, incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the Guarantor's Guarantee (as applicable) on substantially identical terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured, by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions (including any such provisions that may be applicable in connection with the Accounts Agreement) affecting different tranches of Indebtedness under Credit Facilities, Ancillary Facilities, the Intercreditor Agreement or any Additional Intercreditor Agreement.

For purposes of determining compliance with, and the outstanding principal amount of, any particular

Indebtedness incurred pursuant to and in compliance with this covenant:

(1) in the event that an item or portion of an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (17) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, will be permitted to classify such item or portion of an item of Indebtedness on the date of its incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant; provided that (x) Indebtedness outstanding on the Issue Date under any Senior Facilities shall be deemed initially incurred under clause (1) of the definition of the second paragraph of this covenant (it being understood that some or all of such Indebtedness may in the future be reclassified in any manner that complies with this covenant) and (y) Hedging Obligations can only be incurred under clause (8) of the definition of the second paragraph of this covenant;

(2) Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included; and

(3) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness. The amount of any Indebtedness outstanding as of any date will be:

   (a) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;

(b) in respect of Hedging Obligations (the amount of any such Indebtedness to be equal at any time to either (a) zero if such Hedging Obligation is incurred pursuant to clause (8) of the second paragraph of this covenant or (b) the notional amount of such Hedging Obligation if not incurred pursuant to such clause);

(c) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(d) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(i) the Fair Market Value of such assets at the date of determination; and

(ii) the amount of the Indebtedness of the other Person.

Accrual of interest, accrual of dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of preferred stock as Indebtedness due to a change in accounting principles and the payment of dividends in the form of additional shares of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred; provided however, that (i) if such Indebtedness denominated in non-U.S. dollar currency is subject to a Currency Exchange Protection Agreement with respect to U.S. dollars, the amount of such Indebtedness expressed in U.S. dollars will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (ii) the U.S. dollar equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness incurred in the same currency as the Indebtedness being refinanced will be the U.S. dollar-equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally incurred, except that to the extent that:

(1) such U.S. dollar-equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the U.S. dollar-equivalent of such excess will be determined on the date such refinancing Indebtedness is being incurred.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Limitation on Sale/Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale/Leaseback Transaction with respect to any Operating Mining Asset unless:

(1) the Company or such Restricted Subsidiary could have incurred Indebtedness in an amount equal to the Attributable Indebtedness in respect of such Sale/Leaseback Transaction pursuant to the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(2) the Company or such Restricted Subsidiary would be permitted to create a Lien on the property subject to such Sale/Leaseback Transaction under the covenant described under "*—Liens*"; and

(3) the Sale/Leaseback Transaction is treated as an Asset Sale and all of the conditions of the Indenture described under "*—Repurchase at the Option of Holders—Asset Sales*" (including the provisions concerning the application of Net Proceeds) are satisfied with respect to such Sale/ Leaseback Transaction, treating all of the consideration received in such Sale/Leaseback Transaction as Net Proceeds for purposes of such covenant.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Collateral (a) Permitted Liens, or (b) if such Lien is not a Permitted Lien, to the extent that all payments due under the Indenture, the Notes and the Guarantees are secured on an equal and rateable basis (or in the case of Indebtedness which is subordinated in right of payment to the Notes or any Guarantees, prior or senior thereto, with the same relative priority as the Notes or such Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured until such time as such obligations are no longer secured by a Lien and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Certain jurisdictions do not recognize "second-priority" liens. In such jurisdictions, the Notes and Guarantees will be secured by the first-priority liens granted to the creditors in respect of certain first priority lien obligations, but the Intercreditor Agreement will seek to effectively subordinate the secured claims of the Notes and Guarantees on a basis consistent with the second-priority lien provisions described herein and will provide that any recoveries on such liens will be applied to the first-priority-lien obligations before application to the Notes.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries, provided that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness incurred under clause (2) of the definition of Permitted Debt and other Credit Facilities and Ancillary Facilities as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, increases, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, increases, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in comparable financings in such jurisdictions as such Indebtedness is being incurred or

would not otherwise materially adversely affect the Issuer's ability to make principal or interest payments on the Notes as they become due (in each case as determined in good faith by the Board of Directors or a responsible accounting or financial officer of the Company);

(2) the Indenture, the Notes (including Additional Notes), the Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Accounts Agreement, the Security Documents, the Senior Facilities and the security documents relating thereto and the SPV Guarantees;

(3) applicable law, rule, regulation or order or the terms of any license, authorization, approval, concession or permit or similar restriction;

(4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(5) customary non-assignment and similar provisions in contracts, leases and licenses (including, without limitation, licenses of intellectual property) entered into in the ordinary course of business;

(6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business, Capital Lease Obligations and mortgage financings that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of assets, including without limitation an agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary, that restricts distributions by the applicable Restricted Subsidiary pending the sale or other disposition;

(8) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by the Board of Directors or a responsible accounting or financial officer of the Company);

(9) Liens permitted to be incurred under the provisions of the covenant described above under the caption "*—Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) provisions limiting the disposition or distribution of assets or property in, or transfer of Capital Stock of, joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitations are applicable only to the assets, property or Capital Stock that are the subject of such agreements;

(11) agreements governing other Indebtedness of the Company or any of its Restricted Subsidiaries or the issuance of preferred stock by a Restricted Subsidiary or the payment of dividends thereon in accordance with the terms thereof permitted to be incurred pursuant to an agreement entered into subsequent to the Issue Date or issued, as applicable, in accordance with the covenant described under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*", and any amendments, restatements, modifications, renewals, supplements, increases, refundings, replacements or refinancings of those agreements; provided that any such encumbrance or restriction contained in such Indebtedness are not materially more restrictive taken as a whole than customary in comparable financings in such jurisdictions as such Indebtedness is being incurred or will not adversely affect in any material respect the Company's ability to make principal or interest payments on the Notes as they become due (in each case, as determined in good faith by a responsible accounting or financial officer of the Company);

(12) supermajority voting requirements existing under corporate charters, bylaws, stockholders agreements and similar documents and agreements;

(13) customary provisions restricting subletting or assignment of any lease governing a leasehold interest;

(14) encumbrances or restrictions contained in Hedging Obligations permitted from time to time under the Indenture;

(15) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case under contracts entered into in the ordinary course of business;

(16) any customary provisions in joint venture, partnership and limited liability company agreements relating to joint ventures that are not Restricted Subsidiaries of the Company and other similar agreements;

(17) any agreement with a governmental entity providing for development financing; and

(18) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (17), or in this clause (18); provided that the terms and conditions of any such encumbrances or restrictions (other than any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces any of the Senior Facilities) are not materially more restrictive with respect to such dividend and other payment restrictions than those under or pursuant to the agreement so extended, renewed, refinanced or replaced (as determined in good faith by the Board of Directors or a responsible accounting or financial officer of the Company).

Merger, Consolidation or Sale of Assets

The Issuer

The Issuer will not, directly or indirectly (i) consolidate, amalgamate or merge with or into another Person (whether or not the Issuer is the surviving Person) or (ii) voluntarily sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer's properties or assets, in one or more related transactions, to another Person, unless:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is an entity organized or existing under the laws of any member state of the European Union as in effect on January 1, 2003 (excluding Greece), Switzerland, Canada, Australia, South Africa, Bermuda, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, in each case, pursuant to agreements reasonably satisfactory to the Trustee and the Security SPV (and the Guarantees will be confirmed as applying to such surviving entity's obligations); and the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents will remain in full force and effect as so amended and supplemented;

(3) immediately after such transaction or transactions, no Default or Event of Default exists;

(4) the Issuer or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable two half-year period be in compliance with the Fixed Charge Coverage Ratio Test;

(5) each Subsidiary Guarantor (unless it is the party to the transactions above, in which case clause (2) shall apply) shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations in respect of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, in each case, pursuant to agreements reasonably satisfactory to the Trustee and the Security SPV, and shall continue to be in effect; and

(6) the Issuer shall have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the supplemental indenture, the Indenture and the Notes constitute legal, valid and binding obligations of the Issuer or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer, as the case may be) enforceable in accordance with their terms; provided that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

The Company

The Company will not, directly or indirectly (i) consolidate, amalgamate or merge with or into another Person (whether or not the Company is the surviving Person) or (ii) voluntarily sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company's and its Restricted Subsidiaries' properties or assets, in one or more related transactions, to another Person, unless:

(1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is an entity organized or existing under the laws of any member state of the European Union as in effect on January 1, 2003 (excluding Greece), Switzerland, Canada, Australia, South Africa, Bermuda, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents (to the extent the Company is a party thereto), in each case, pursuant to agreements reasonably satisfactory to the Trustee and the Security SPV; and the Notes, the Indenture, the Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents will remain in full force and effect as so amended and supplemented;

(3) immediately after such transaction or transactions, no Default or Event of Default exists;

(4) the Company or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable two half-year period be in compliance with the Fixed Charge Coverage Ratio Test; and

(5) the Issuer shall have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the supplemental indenture, the Indenture and the Notes constitute legal, valid and binding obligations of the Issuer or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer, as the case may be) enforceable in accordance with their terms; provided that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

The Subsidiary Guarantors

A Subsidiary Guarantor (other than a Subsidiary Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and the Indenture as described under "— *Guarantees Release*") may not sell

or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person), another Person, other than the Company or the Issuer or another Subsidiary Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) such Guarantor is the surviving corporation;

(b) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company, the Issuer or another Guarantor) unconditionally assumes, pursuant to a supplemental indenture substantially in the form specified in the Indenture, all the obligations of such Guarantor under such Indenture, its Guarantee, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, on terms set forth therein; or

(c) the net proceeds of such sale or other disposition are applied in accordance with the provisions of the Indenture described under the caption "*—Repurchase at the Option of Holders—Asset Sales*".

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the assets of the Company.

The surviving entity will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture provided that the Issuer will not be released from the obligation to pay the principal of and interest and premium, if any, on the Notes except in the case of a sale of all the Issuer's assets in a transaction that is subject to, and complies with the provisions of, this covenant.

Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Clauses (3) and (4) of the first paragraph, clauses (3) and (4) of the second paragraph and clause (1) of the third paragraph of this covenant will not apply to any amalgamation, merger or consolidation of the Company, the Issuer or any Restricted Subsidiary into an Affiliate solely for the purpose of reincorporating the Company, the Issuer or such Restricted Subsidiary in another jurisdiction. Notwithstanding any other provision of the Indenture, nothing in the Indenture will prevent and this covenant will not apply to (i) any Restricted Subsidiary that is not the Issuer or a Guarantor consolidating with, merging or amalgamating with or into or transferring all or part of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary of the Company that is not a Guarantor; (ii) the Company or the Issuer merging or amalgamating with or into a Restricted Subsidiary for the purpose of reincorporating the Company or the Issuer in another jurisdiction and (iii) any Guarantor consolidating with, merging or amalgamating with or into or transferring all or part of its properties and assets to the Issuer or another Guarantor.

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of $5.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the

Company or such Restricted Subsidiary with a Person who is not an Affiliate (as determined in good faith by a responsible financial or accounting officer of the Company); and

(2) the Issuer delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, a resolution of the Board of Directors of the Company set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $30.0 million, an opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that the transaction or series of related transactions is (i) fair to the Company or such Restricted Subsidiary from a financial point of view taking into account all relevant circumstances or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement or arrangement, collective bargaining agreement, consultant agreement, stock option, stock appreciation, stock incentive or stock ownership or similar plan, employee benefit arrangements, officer or director indemnification agreement, restricted stock agreement, severance agreement or other compensation plan or arrangement, in each case entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible financial or accounting officer of the Company) with officers, directors, consultants or employees of the Company and its Restricted Subsidiaries and payments, awards, grants or issuances of securities pursuant thereto;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

(3) Management Advances;

(4) any Investment (other than a Permitted Investment) or other Restricted Payment, in either case, that does not violate the provisions of the Indenture described under the caption "*—Restricted Payments*";

(5) any Permitted Investments except for Permitted Investments made in accordance with clauses (10), (12) and (19) of the definition thereof;

(6) transactions with a Person that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(7) payment of customary directors' fees, indemnification and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting fees, employee salaries, bonuses, employment agreements and arrangements, compensation or employee benefit arrangements, including stock options or legal fees (as determined in good faith by a majority of the disinterested members of the Board of Directors of the Company or, so long as the Company remains listed on the London Stock Exchange, otherwise in compliance with the Company's code of corporate governance);

(8) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company;

(9) transactions with a joint venture or similar entity which would constitute an Affiliate Transaction solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such joint venture or similar entity;

(10) transactions pursuant to, or contemplated by any agreement or arrangement in effect on the Issue Date and transactions pursuant to any amendment, modification, supplement or extension thereto; provided that any such amendment, modification, supplement or extension to the terms thereof, taken as a whole, is not materially more disadvantageous to the holders of the Notes than the original agreement or arrangement as in effect on the Issue Date;

(11) (i) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person and (ii) to the extent constituting Affiliate Transactions, transactions with any governmental agency or entity, or government controlled entity in connection with a Permitted Business to the extent such transactions are, in the good faith judgment of a responsible executive officer of the Company, beneficial, directly or indirectly, to the Company or the relevant Restricted Subsidiary;

(12) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Company or any of its Restricted Subsidiaries and any other Person with which the Company or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Company or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the Indenture; provided, however, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Company and its Restricted Subsidiaries would owe without taking into account such other Person;

(13) transactions between the Company or any Restricted Subsidiary and any Person, a director of which is also a director of the Company and such director is the sole cause for such Person to be deemed an Affiliate of the Company or any Restricted Subsidiary; provided, however, that such director shall abstain from voting as a director of the Company on any matter involving such other Person; and

(14) (i) the sale, transfer, issuance or other disposition (in one or more transactions) of assets, including Capital Stock, in connection with any agreement or arrangement related to consortia, joint ventures and similar arrangements in connection with the MPRDA, the B-BBEE Act, the Mining Charter or any other South African legislation relating to the economic empowerment of previously or historically disadvantaged South Africans that satisfies the requirements of clause (16) of the second paragraph of the definition of "**Asset Sale**"; and (ii) transactions between the Company or any of its Restricted Subsidiaries and the B-BBEE Partner, in each case otherwise in compliance with the terms of the Indenture, which are in the commercial interests of the Company or any of its Restricted Subsidiaries, in the good faith determination of the Board of Directors or of the senior management thereof.

Limitation on Lines of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to the extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary that is not the Issuer or a Guarantor, directly or indirectly, to Guarantee any Indebtedness of the Issuer or a Guarantor (other than a Guarantee), unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the Guarantee of such Indebtedness, which Guarantee will be *pari passu* with or senior to such Restricted Subsidiaries' guarantee of such other Indebtedness; provided, however, that (i) with respect to any Guarantee of Subordinated Obligations by such Restricted Subsidiary, any such Guarantee shall be subordinated to such Restricted Subsidiary's Guarantee with respect to the Notes at least to the same extent as such Subordinated Obligation is explicitly subordinated to the Notes in right of payment and (ii) with respect to any Guarantee of senior Indebtedness of any Restricted Subsidiary of the Issuer, any such Guarantee shall not be required to be more favorable to the holders of Notes than the then outstanding Guarantees.

The foregoing paragraph will not be applicable to any Guarantees of any Restricted Subsidiary:

(1) existing on the date of the Indenture or pursuant to an extension, modification, refinancing, replacement, exchange or renewal of any such Guarantee existing on the date of the Indenture;

(2) that existed at the time such Person became a Restricted Subsidiary if the Guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(3) arising due to the granting of a Permitted Lien;

(4) given to a bank or trust company having combined capital and surplus and undivided profits of not less than $500 million, whose indebtedness has a rating, at the time such Guarantee was given, of at least BBB- or the equivalent thereof by S&P and at least Baa3 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the Issuer's benefit or that of any Restricted Subsidiary; or

(5) in respect of any working capital facilities in an aggregate principal amount not to exceed $2.0 million at any time outstanding.

In addition, notwithstanding anything to the contrary herein:

(1) no Guarantee shall be required if such Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Restricted Subsidiary in the good faith determination of a responsible accounting or financial officer of the Company or (C) any significant cost, expense, liability or obligation other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Guarantee; and

(2) each such Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Guarantees granted pursuant to this provision may be released at the option of the Issuer as set forth under "— *Guarantees Releases*". A Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release either (i) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor, or (ii) there is no Indebtedness of such Guarantor outstanding which was incurred after the Issue Date and which could not have been incurred in compliance with the Indenture as of the date of such release if such Guarantor were not designated as a Guarantor as of that date. The Trustee shall take all necessary actions to effectuate any release of a Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

Limitation on Issuer Activities

The Issuer must not carry on any business, undertake any other activity or own any assets other than (i) any activity reasonably related to the offering, sale, issuance, incurrence and servicing, purchase, redemption, refinancing or retirement of the Notes or other Indebtedness permitted by the terms of the Indenture, the granting of Liens permitted under the covenant described under the caption "—*Liens*" and distributing, lending or otherwise advancing funds to the Company or any of its Restricted Subsidiaries, (ii) any activity undertaken with the purpose of fulfilling any other obligations under the Notes, other Indebtedness permitted by the terms of the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement entered into pursuant to the terms of the Intercreditor Agreement or the Indenture) or any Security Document to which it is a party; (iii) Permitted Investments constituting Investments in the Company or a Restricted Subsidiary, Investments in the form of cash and Cash Equivalents and repurchases of the Notes; (iv) any activity directly related to the establishment and/or maintenance of the Issuer's corporate existence or otherwise complying with applicable law; (v) the ownership of 100% of the shares of Petra Diamonds UK Treasury Plc and (vi)

other activities not specifically enumerated above that are de minimis in nature. The Issuer will not create, incur, assume or suffer to exist any Lien over any of its property or assets, or any proceeds therefrom, to secure Indebtedness, except for Liens to secure the Notes or other Indebtedness permitted to be incurred under the Indenture to the extent Liens securing such Indebtedness are permitted to be incurred under the Indenture.

The Issuer will at all times remain a wholly-owned Restricted Subsidiary of the Company. Except in accordance with the covenant described under the caption "*—Merger, Consolidation or Sale of Assets*", the Issuer will not merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation) or, other than in connection with the incurrence of a Permitted Lien or Permitted Collateral Lien, sell, assign, transfer, lease, convey or otherwise dispose of any material property or assets to any Person in one or more related transactions.

For so long as any Notes are outstanding, none of the Company nor any of its Restricted Subsidiaries will commence or take any action or facilitate a winding-up, liquidation or other analogous proceeding in respect of the Issuer.

Limitation on Finance Company Activities

Petra Diamonds UK Treasury Limited and Ealing Management Services (Pty) Ltd must not carry on any business, undertake any other activity or own any assets other than (i) any activity reasonably related to the offering, sale, issuance, incurrence and servicing, purchase, redemption, refinancing or retirement of Indebtedness permitted by the terms of the Indenture, the granting of Liens permitted under the covenant described under the caption "*—Liens*" and distributing, lending or otherwise advancing funds to the Company or any of its Restricted Subsidiaries, (ii) any activity undertaken with the purpose of fulfilling any other obligations under the Notes, other Indebtedness permitted by the terms of the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement entered into pursuant to the terms of the Intercreditor Agreement or the Indenture) or any Security Document to which it is a party; (iii) Permitted Investments constituting Investments in the Company or a Restricted Subsidiary, Investments in the form of cash and Cash Equivalents and repurchases of the Notes; (iv) any activity directly related to the establishment and/or maintenance of the Issuer's corporate existence or otherwise complying with applicable law and (v) other activities not specifically enumerated above that are de minimis in nature. Petra Diamonds UK Treasury Limited and Ealing Management Services (Pty) Ltd will not create, incur, assume or suffer to exist any Lien over any of its property or assets, or any proceeds therefrom, to secure Indebtedness, except for Liens to secure the Notes or other Indebtedness permitted to be incurred under the Indenture to the extent Liens securing such Indebtedness are permitted to be incurred under the Indenture.

Petra Diamonds UK Treasury Limited and Ealing Management Services (Pty) Ltd will at all times remain a wholly-owned Restricted Subsidiary of the Issuer. Except in accordance with the covenant described under the caption "*—Merger, Consolidation or Sale of Assets*", Petra Diamonds UK Treasury Limited and Ealing Management Services (Pty) Ltd will not merge, consolidate, amalgamate or otherwise combine with or into another Person (whether or not the Issuer is the surviving corporation) or, other than in connection with the incurrence of a Permitted Lien or Permitted Collateral Lien, sell, assign, transfer, lease, convey or otherwise dispose of any material property or assets to any Person in one or more related transactions.

For so long as any Notes are outstanding, none of the Company nor any of its Restricted Subsidiaries will commence or take any action or facilitate a winding-up, liquidation or other analogous proceeding in respect of Petra Diamonds UK Treasury Limited or Ealing Management Services (Pty) Ltd.

Notwithstanding the above, each of the activities permitted above must also comply with the Accounts Agreement and the Intercreditor Agreement.

No Impairment of Security Interest

The Company will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the holders of Notes and the Company will not, and will not cause or permit any of its Restricted Subsidiaries to,

grant to any Person other than the Security SPV, for the benefit of the Trustee and the holders of Notes and the other beneficiaries described in the Security Documents and the Intercreditor Agreement, any interest whatsoever in any of the Collateral; provided that (a) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the Indenture, the Security Documents and the Intercreditor Agreement and (b) the Company and its Restricted Subsidiaries may incur Permitted Collateral Liens; and provided further, however, that no Security Document (other than the Notes SPV Guarantee and the Counter-Indemnity Agreement) may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced, or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Company delivers to the Trustee either (1) a solvency opinion from an internationally recognized investment bank or accounting firm, satisfactory to the Trustee confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, supplement, modification, replacement or release and retaking, (2) a certificate from the board of directors or chief financial officer of the relevant Person that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release, or (3) an opinion of counsel, satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Lien or Liens securing the Notes created under the Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, and that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

At the direction of the Issuer and without the consent of any holder of Notes, the Issuer, the Guarantors, the Trustee and the Security SPV (as applicable and to the extent each is a party to the relevant document) may from time to time enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) (but subject to compliance with the foregoing paragraph) provide for Permitted Collateral Liens; (iii) add to the Collateral; (iv) comply with the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement; (v) evidence the succession of another Person to the Issuer or Guarantor, as applicable, and the assumption by such successor of the obligations under the Indenture, the Notes and the Security Documents, in each case, in accordance with "*—Merger, Consolidation or Sale of Assets*"; (vi) provide for the release of property and assets constituting Collateral from the Lien created pursuant to the Security Documents, the release of the Guarantee of a Guarantor and/or the release of the Notes SPV Guarantee of the Security SPV, in each case, in accordance with (and if permitted by) the terms of the Indenture; (vii) evidence and provide for the acceptance of the appointment of a successor Trustee or Security SPV; or (viii) make any other change thereto that does not adversely affect the rights of the holders of Notes in any material respect.

In the event that the Company and the Issuer comply with this covenant, the Trustee and/or the Security SPV, as applicable, shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the holders of the Notes.

Reports

So long as any Notes are outstanding, the Company shall furnish to the Trustee (which shall distribute the same to a holder of Notes upon such holder's written request) and publish on its website:

a) within 120 days after the end of the Company's fiscal year, annual reports containing the following information with a level of detail that is substantially comparable and similar in scope to the offering memorandum dated April 5, 2017 in respect of the Issuer's 7.25% Senior Secured Second Lien Notes due 2022: (i) audited consolidated balance sheet of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years (and comparative information for the end of the prior fiscal year), including complete notes to such financial statements and the report of the independent auditors on

the financial statements; (ii) *pro forma* income statement and balance sheet information, together with any explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, unless the *pro forma* information has been previously provided; provided that such *pro forma* financial information will be provided only to the extent required to be disclosed by the U.K. Listing Authority and London Stock Exchange

b) or, in the event the Company is no longer listed on the London Stock Exchange, to the extent available without unreasonable expense; (iii) an operating and financial review of the audited financial statements, including a discussion of the results of operations including a discussion of financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (iv) a description of the business, all material affiliate transactions, Indebtedness and material financing arrangements and all material debt instruments; and (v) material risk factors and material recent developments; provided that (for so long as the U.K. Listing Authority and London Stock Exchange require annual reports and the Company is subject to such requirements) any item of disclosure that complies in all material respects with the requirements of the U.K. Listing Authority and London Stock Exchange for annual reports with respect to such item will be deemed to satisfy the Company's obligations under this clause (a) with respect to such item;

c) within 60 days following the end of the Company's first fiscal half-year in each fiscal year, semi-annual reports containing the following information: (x) an unaudited condensed consolidated balance sheet as of the end of such six-month period and unaudited condensed statements of income and cash flow for the year to date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods for the Company, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information of the Company, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the period as to which such report relates; provided that such *pro forma* financial information will be provided only to the extent required to be disclosed by the U.K. Listing Authority and London Stock Exchange or, in the event the Company is no longer listed on the London Stock Exchange, to the extent available without unreasonable expense; (c) an operating and financial review of the unaudited financial statements including a discussion of the consolidated financial condition and results of operations of the Company and any material change between the current half-year period and the corresponding period of the prior year; and (d) material recent developments; provided that (for so long as the U.K. Listing Authority and London Stock Exchange require interim reports and the Company is subject to such requirements) any item of disclosure that complies in all material respects with the requirements of the U.K. Listing Authority and London Stock Exchange for interim reports with respect to such item will be deemed to satisfy the Company's obligations under this clause (b) with respect to such item;

d) within 60 days following the end of the first and third quarterly period of the Company's financial year (i) a financial review of the unaudited financial information, in a level of detail comparable in all material respects to the financial review of the Company contained in its prior interim management statements and (ii) a qualitative description of any material recent developments; and

e) promptly after the occurrence of any material acquisition, disposition or restructuring of the Company and its Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Company or changes in auditors of the Company or other material event that the Company announces publicly, a report containing a description of such event (but only to the extent that such acquisition, disposition, restructuring, change or event has been required to be publicly announced or disclosed by the U.K. Listing Authority and London Stock Exchange for so long as the Company is subject to such requirements);

provided, however, that any reports set out in this paragraph delivered to the Trustee via email or other electronic means shall be deemed to have been "furnished" to the Trustee in accordance with the terms of this paragraph.

All financial statements, including any *pro forma* financial information, shall be prepared in accordance with IFRS on a consistent basis for the periods presented. Except as provided for above, no report need include separate financial statements for the Company or Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in the offering memorandum dated April 5, 2017 in respect of the Issuer's 7.25% Senior Secured Second Lien Notes due 2022.

For so long as any Notes remain outstanding and during any period in which the Company is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company has agreed that it will furnish to the holders of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

The Company will also make available copies of all reports required by clauses (a) through (d) of the second paragraph of this covenant either (i) on the Company's website or (ii) publicly available through substantially comparable means (as determined by an officer of the Company in good faith) (it being understood that, without limitation, making such reports available on Bloomberg or another private electronic information service will constitute substantially comparable public availability).

In addition, in the case of furnishing the information pursuant to clauses (a) and (b) of the second paragraph of this covenant, the Company will promptly thereafter hold a conference call with holders of the Notes hosted by an officer of the Company to discuss the operations of the Company and its Subsidiaries in respect of the relevant period. So long as the Company is listed on the London Stock Exchange, it shall satisfy this requirement by inviting beneficial owners (including by way of notices disseminated via Bloomberg or other private information system or postings on the Company's website) of the Notes to its half-year investor presentations following the delivery of its annual and half-year financial reports in compliance with the U.K. Listing Authority and the London Stock Exchange. In addition, if and so long as the Notes are listed on the Official List of Euronext Dublin and admitted for trading on the Regulated Market of Euronext Dublin, and the rules of Euronext Dublin so require, the Company will make available copies of all reports required by clauses (a) through (d) of the second paragraph of this covenant at the offices of the Paying Agent in New York or, to the extent and in the manner permitted by such rules, post such reports on the official website of Euronext Dublin (www.ise.ie).

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Payment for Consent

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any cash consideration to or for the benefit of any holder of the Notes for consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment; provided that this provision shall not be breached if consents, waivers or amendments are sought in connection with an exchange offer for all of the Notes where participation in such exchange offer is limited to holders who are "qualified institutional buyers", within the meaning of Rule 144A under the U.S. Securities Act or other similar qualified investors under other applicable securities laws, or Non-U.S. Persons.

Maintenance of Listing

Each of the Issuer and each Guarantor will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Official List of Euronext Dublin for so long as such Notes are outstanding; provided that if the Issuer is unable to obtain admission to listing of the Notes on Euronext Dublin or if at any time the Issuer determines that it will not so list or maintain such listing, it will use its commercially reasonable efforts to obtain and maintain, a listing of such Notes on another "recognized stock exchange" as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom, or exchange regulated market in Western Europe.

Coupon Conditions

Other than pursuant to Clause 22.15 of the Senior Facilities Agreement (in its original form as in effect on the Issue Date) and Clause 6 of the Intercreditor Agreement (in its original form as in effect on the Issue Date), the Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, agree to, undertake or covenant to comply with any restrictions under any terms of Indebtedness on the payment of interest on the Notes in cash.

Accounts Agreement

Each of the Company and each Restricted Subsidiary shall:

a) comply with the Accounts Agreement in all material respects; and

b) not take any actions which would conflict with or cause a breach of the provisions or terms of the Accounts Agreement in any material respect.

Amendments to documents governing Indebtedness

Each of the Company and each Restricted Subsidiary shall comply with the Intercreditor Agreement, including without limitation, Clause 4.2 (Restrictions on amendments and waivers: Senior Secured Lenders) of the Intercreditor Agreement.

Compliance with Laws & Policies

The Company shall, and shall procure its Restricted Subsidiaries to:

a) comply in all respects with all laws to which it may be subject, if failure so to comply would have, or be reasonably likely to have, a Material Adverse Effect; and

b) comply in all material respects with the Human Rights & Sustainability Policies.

Williamson Diamonds Limited Reorganization

a) Notwithstanding any other term of the Indenture, the Company and its Restricted Subsidiaries shall be permitted to undertake all necessary steps related to any reorganization of the interest in Willcroft Company Limited ("**Willcroft**") and Williamson Diamonds Limited ("**WDL**") (a "**Williamson Reorganization**"); provided that:

   i) any Williamson Reorganization agreed with the Government of Tanzania ("**GoT**") may only be consummated upon written confirmation from an auditing or law firm that there are no material adverse tax consequences for the Company and its Restricted Subsidiaries;

   ii) the pledge over the shares of Willcroft will be released from the Collateral and Willcroft shall be released as a Guarantor of the Notes immediately upon:

      (A) accession of a new holding company of the Company's indirect interest of WDL ("**Williamson Newco**") as a Guarantor; and

      (B) the pledge of the shares of Williamson Newco as Collateral;

   iii) any Williamson Reorganization must be authorized by the relevant investment committee of the Board of Directors; and

   iv) at no time following the Williamson Reorganization shall Williamson Newco hold any assets other than in relation to its direct or indirect shareholding of WDL (or as received as part of a Williamson Value Transfer (as defined below) for prompt onward contribution or transfer (in the form of an Investment or otherwise) to WDL).

b) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any capital contributions, Investments, asset sales or transfers or other transfers of value into either Willcroft,

WDL or Williamson Newco, or provide any Indebtedness, guarantee or any other financial support to, or create any Lien, in favor of Willcroft, WDL or Williamson Newco (a "**Williamson Value Transfer**") in an aggregate amount for all such Williamson Value Transfers:

i) so long as the Williamson Mine is on care and maintenance, in excess of $1.5 million per month, provided that any Williamson Value Transfer may exceed $1.5 million per month for Emergency Capital Expenditure if authorized by the relevant investment committee of the Board of Directors; and

ii) at all times (and including any amounts utilized under subparagraph (i) above), in excess of $20.0 million (provided that any Williamson Value Transfer permitted by this subparagraph (ii) and not otherwise permitted by subparagraph (i) above must be authorized by the relevant investment committee of the Board of Directors),

in each case, provided further that:

iii) if either of Willcroft or WDL receive a Williamson Value Transfer and then subsequently refinances or replaces such amount with independent sources, Willcroft or WDL (as applicable) shall reimburse the Company and its Restricted Subsidiaries unless Willcroft or WDL (as applicable) is prohibited from doing so by the terms of its agreements with the GoT;

iv) any Williamson Value Transfer shall be on commercially reasonable and arms' length terms (as determined by the Company acting in good faith).

Minimum Liquidity

a) The Issuer shall:

i) ensure that Liquidity, as forecast in any Cashflow Forecast, shall not be forecasted to fall below US$20,000,000 at any time during the period covered by the relevant Cashflow Forecast;

ii) ensure that actual Liquidity shall not at any time fall below US$20,000,000; and

iii) deliver the Cashflow Forecast to the facility agent under and in accordance with the terms of the Senior Facilities Agreement (in its original form as in effect on the Issue Date).

"**Cashflow Forecast**" means the Cashflow Forecast (as defined under the Senior Facilities Agreement) to be delivered by the Company on the execution date of the Senior Facilities Agreement and subsequently on each January 31, April 30, July 31 or October 31 to the facility agent under the Senior Facilities Agreement pursuant to Clause 20.7(p) of the Senior Facilities Agreement (in its original form as in effect on the Issue Date).

"**Liquidity**" means, Liquidity (as defined in the Senior Facilities Agreement (in its original form as in effect on the Issue Date)) and as set forth in the Cashflow Forecast.

b) The Issuer shall promptly notify the Trustee, but within no more than 5 Business Days upon first becoming aware of events giving rise to the obligation to deliver such notice, if:

i) the Liquidity as forecast in any Cashflow Forecast is forecasted to fall below US$20,000,000 at any time during the period covered by the relevant Cashflow Forecast; and

ii) actual Liquidity shall at any time fall below US$20,000,000.

Such notice shall reference this Indenture and/or the Notes and state on its face that it is a notice of Default.

c) In the event the obligations with respect to the above requirements no longer exist under the Senior Facilities Agreement, the Issuer shall perform such covenant as if the Senior Facilities Agreement was still outstanding in all respects.

Maintenance of Rating

The Issuer shall use its commercially reasonable efforts to obtain the rating of the Notes by Moody's or S&P within six months following the Restructuring Effective Date and to maintain a rating for the Notes by Moody's or S&P so long as such Notes are outstanding.

As at the date of the Prospectus, the Notes were rated 'Caa2' by Moody's and B- by S&P.

Events of Default and Remedies

Each of the following is an "**Event of Default**":

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes (including the failure to pay any cash interest amount on or after June 30, 2023);

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Issuer or any Guarantor to comply with

(A) the provisions described under clause (b) under the caption "*—Certain Covenants—Compliance with Laws and Policies*" or under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*"; or

(B) the provisions described under the captions "*—Certain Covenants—Williamson Diamonds Limited Reorganization*" or "*—Certain Covenants—Minimum Liquidity*", in each case, for 15 Business Days after written notice to the Issuer by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with the relevant provision (provided that in the case of a failure to comply with clause (b) under the caption "*—Certain Covenants—Compliance with Laws and Policies*" or under the caption "*—Certain Covenants— Minimum Liquidity*", the 15 Business Day period above shall not apply and the Event of Default shall occur immediately upon the foregoing written notice).

(4) failure by the Issuer or relevant Guarantor for 60 days after written notice to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3), the Accounts Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreement or the Security Documents);

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created, after the Issue Date, if that default:

(a) is caused by a failure to pay principal of such Indebtedness at the Stated Maturity thereof after giving effect to any applicable grace periods provided in such Indebtedness and such failure to make any payment has not been waived or the maturity of such Indebtedness has not been extended (a "**Payment Default**"); or

(b) results in the acceleration of such Indebtedness prior to its Stated Maturity; and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $10.0 million or more;

(6) failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of $10.0 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which

judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment);

(7) any security interest created by the Security Documents with respect to Collateral having a Fair Market Value in excess of $15.0 million ceases to be in full force and effect (except as permitted by the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement or the Security Documents), or as assertion by the Company or any Restricted Subsidiary that any collateral having a Fair Market Value in excess of $25.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement); or (ii) the repudiation by the Company of any of its material obligations under the Security Documents;

(8) except as permitted by the Indenture (including with respect to any limitations), any Guarantee of a Significant Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor that is a Significant Subsidiary or any Person acting on behalf of any such Guarantor that is a Significant Subsidiary, denies or disaffirms its obligations under its Guarantee; and

(9) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company and/ or the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising under clause (9) above, with respect to the Company and/or the Issuer all then outstanding Notes will become due and payable immediately without further action or notice. A Default arising under clauses (3) or (4) above will not constitute an Event of Default until the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes notify the Issuer of the Default and the Issuer does not cure such Default within the time specified in clauses (3) or (4), as applicable, above after receipt of such notice. The final paragraph of the covenant described under "*—Certain Covenants—Reports*" shall be deemed to have been complied with unless 25% in aggregate principal amount of the then outstanding Notes notify the Issuer in writing that they were not invited to such conference call and the Issuer then failed to hold such conference call within 30 days of receipt of such written notice; provided however, any such failure to comply after such 30 day period shall only be an Event of Default under clause (4) of the paragraph above following the elapse of the 45-day period described therein.

If any other Event of Default occurs and is continuing, the Trustee may and at the direction of the holders of at least 25% in aggregate principal amount of the then outstanding Notes shall, declare all of the then outstanding Notes to be due and payable immediately by notice in writing to the Issuer and, in case of a notice by holders, also to the Trustee specifying the respective Event of Default and that it is a notice of acceleration. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) of the definition of "**Event of Default**" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if (i) the event of default or Payment Default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto, (ii) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (iii) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee and the Trustee has received indemnity and/or security satisfactory to it against any loss, liability or expense.

Except (subject to the provisions described under "*—Amendment, Supplement and Waiver*") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered to the Trustee, and the Trustee has received, security and/or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may, on behalf of the holders of all of the Notes, rescind an acceleration or waive any past or existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default:

(1) in the payment of interest or Additional Amounts or premium on, or the principal of, the Notes ; provided, however, that the holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration; or

(2) in respect of a covenant or provision which under provisions described under "—Amendment, Supplement and Waiver" cannot be modified or amended without the consent of holders of at least 90% of the aggregate principal amount of the then outstanding Notes.

The Intercreditor Agreement places certain restrictions on the voting rights of the holders of the Notes with respect to an enforcement action in respect of the Collateral. For further details, see "*Description of Certain Financing Arrangements—Intercreditor Agreement—Enforcement*".

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, Officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, the Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at its option, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Guarantees ("**Legal Defeasance**") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer’s obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer’s and the Guarantors’ obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment or, solely with respect to the Issuer, bankruptcy, receivership, rehabilitation and insolvency events) described under "*—Events of Default and Remedies*" will no longer constitute an Event of Default with respect to the Notes. If the Issuer exercises its Legal Defeasance option, each Guarantor will be released and relieved of any obligations under its Guarantee and any security for the Notes (other than the trust) will be released.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the case of non-callable U.S. Government Obligations only in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest (including Additional Amounts) and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an opinion of independent United States counsel reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion of independent United States counsel reasonably acceptable to the Trustee confirming that the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(5) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(6) the Issuer must deliver to the Trustee an Officer's Certificate and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs and the second paragraph under "*—Certain Covenants—No Impairment of Security Interest*", the Indenture, the Notes, any Guarantees, the Security

Documents, the Accounts Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreement may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Guarantees, the Security Documents, the Accounts Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreement may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Unless consented to by the holders of at least 90% (or, in the case of clauses (8) and (9), 75%) of the aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), without the consent of each holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) (a) reduce the principal of or change the fixed maturity of any Note or (b) reduce the purchase price payable upon the redemption of any Notes or (c) change the time (other than notice periods) at which any Note may be redeemed, in the case of each of (b) and (c) as described above under the captions "*—Optional Redemption*" and "*—Redemption for Changes in Taxes*");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (other than as permitted in clause (7) below);

(7) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "*—Repurchase at the Option of Holders*");

(8) modify or release any of the Guarantees in any manner adverse to the holders of the Notes, other than in accordance with the terms of the Indenture and any relevant intercreditor agreement (or any additional intercreditor agreement or priority agreement entered into in accordance with the terms of the Indenture);

(9) release all or substantially all the security interests granted to the Security SPV for the benefit of the Trustee in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement and/or the Indenture;

(10) impair the right of any holder of Notes to institute suit for the enforcement of any payment on or with respect to such holder’s Notes or any Guarantee in respect thereof;

(11) make any change to the ranking of the Notes or Guarantees, in each case in a manner that adversely affects the rights of the holders of the Notes; or

(12) make any change in the preceding amendment, supplement and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of the Notes, the Issuer, the Guarantors, the Trustee and the Security SPV (as applicable and to the extent each is a party to the relevant document) may

amend or supplement the Indenture, the Notes, the Guarantees, the Security Documents, the Accounts Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreement:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes and Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(5) to enter into additional or supplemental Security Documents or to add additional parties to the Intercreditor Agreement, any Additional Intercreditor Agreement or any Security Document to the extent permitted thereunder and under the Indenture;

(6) to the extent necessary or desirable to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(7) to release any Guarantee, the Notes SPV Guarantee or any Collateral in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or any Security Document, as applicable;

(8) to allow any Guarantor to execute a supplemental indenture and/or a Guarantee with respect to the Notes or release Guarantees pursuant to the terms of the Indenture;

(9) to amend, supplement or waive the terms of the Accounts Agreement in accordance with the terms thereof;

(10) to the extent necessary or desirable to secure the Notes or provide for Guarantees of Additional Notes; or

(11) to evidence and provide for the acceptance and appointment under the Indenture of a successor trustee.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

Satisfaction and Discharge

The Indenture and the Guarantees will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancelation; or

(b) all Notes that have not been delivered to the Trustee for cancelation (i) have become due and payable by reason of the mailing of a notice of redemption or otherwise, (ii) will become due and payable within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and in each case the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely

for the benefit of the holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the case of non-callable U.S. Government Obligations only in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancelation for principal, premium, Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the grant of any Lien securing such borrowing) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(3) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2), (3) and (4)).

Judgment Currency

Any payment on account of an amount that is payable in U.S. dollars which is made to or for the account

of any holder or the Trustee in lawful currency of any other jurisdiction (the "**Judgment Currency**"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor's obligation under the Indenture and the Notes or Guarantee, as the case may be, only to the extent of the amount of U.S. dollars with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency.

If the amount of U.S. dollars that could be so purchased is less than the amount of U.S. dollars originally due to such holder of the Notes or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of the Notes or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

The Issuer shall deliver written notice to the Trustee within 30 days of becoming aware of the occurrence of a Default or an Event of Default. If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture and the Intercreditor Agreement limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise.

The Trustee will be permitted to engage in other transactions; however, if it has actual knowledge that it has acquired any conflicting interest in its capacity as Trustee, it must eliminate such conflict within 90 days or resign as Trustee. The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy

available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of its own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee, and the Trustee has received, security and/or indemnity satisfactory to it against any loss, liability or expense.

The Issuer and the Guarantors jointly and severally will indemnify the Trustee for certain claims, liabilities and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with its duties.

Governing Law

The Indenture will provide that it, the Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Agreement will be governed by the laws of England and Wales. The Notes SPV Guarantee, the Accounts Agreement and the Counter-Indemnity Agreement will be governed by, and construed in accordance with, the laws of South Africa.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and, upon accession to the Indenture, each Guarantor, will appoint Cogency Global Inc. as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Guarantees brought in any U.S. federal or New York state court located in the City of New York and will submit to such jurisdiction.

Enforceability of Judgments

Since all of the assets of the Issuer and the Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor may not be collectable within the United States. See "*Notice Regarding Service of Process and Enforcement of Judgments*".

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will not be permitted ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will not be permitted five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"**Accounts Agreement**" means the accounts agreement, dated on or about the date of the Indenture, between, among others, the agent under the Senior Facilities, the Trustee, the Security SPV, the Account Banks, the Issuer and the Guarantors relating to the establishment and operation of certain bank accounts and the governance of cash flows between and among the Company and its Restricted Subsidiaries.

"**Account Banks**" means Absa Bank Limited (acting through its Absa Corporate and Investment Banking division) and FirstRand Bank Limited (acting through its Rand Merchant Bank Division) and Account Bank means any one of them.

"**Acquired Debt**" means, with respect to any specified Person:

a) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

b) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Assets**" means:

a) any property, plant, equipment or assets used or useful in a Permitted Business; provided that this shall not include another operating mine, mining properties, surface rights and any related licenses; or

b) any Permitted Business Investments; made under Permitted Investments (t) or (v).

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "**control**", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "**controlling**", "**controlled by**" and "**under common control with**" have correlative meanings.

"**Agents**" means the Paying Agent, the Transfer Agent, the Registrar, the authenticating agent and the Common Depositary.

"**Ancillary Facilities**" means general banking facilities (including guarantees and soft lines (which comprise electronic and currency transfer lines and a daylight intraday settlement line)) on customary terms in the ordinary course of business and consistent with past practice of the Company or its Restricted Subsidiaries, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under one or more other credit or related agreements or financing agreements) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any promissory notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Ancillary Facilities" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of (a) 1% of the principal amount of such Note and (b) the excess of:

(1) the present value at such redemption date of (i) the redemption price of the Note on March 9, 2023, plus (ii) all required interest payments due on the Note through March 9, 2023 (excluding accrued but unpaid interest to the redemption date) discounted back to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(2) the then-outstanding principal amount of the Note. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation of the Trustee, the Paying Agent, the Transfer Agent or the Registrar.

"Asset Sale" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights by the Company or any of its Restricted Subsidiaries; provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*—Repurchase at the Option of Holders—Change of Control*" and/or the provisions described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" and not by the provisions described under the caption "*—Repurchase at the Option of Holders—Asset Sales*"; and

(2) the issuance of Equity Interests in any of the Company's Restricted Subsidiaries or the sale by the Company or its Subsidiaries of Equity Interests in any of its or their Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $5.0 million;

(2) a transfer of assets (x) between or among the Company and its Restricted Subsidiaries (other than Restricted Subsidiaries that are Guarantors or the Issuer) provided that the Fair Market Value of the assets transferred to Restricted Subsidiaries that are not Guarantors or the Issuer shall not in the aggregate exceed $15.0 million, or (y) between or among the Guarantors and the Issuer;

(3) any issuance of Equity Interests by a Restricted Subsidiary of the Company (x) to the Company or to a Guarantor or the Issuer or (y) to any other Restricted Subsidiary that as of the Issue Date held any shares of such Restricted Subsidiary on a pro rata or better basis to its direct parent entity (and on no better than a pro rata basis to any other equity holders of such Restricted Subsidiary);

(4) the sale or lease of products, services or diamond or gemstone products inventory or accounts receivable or other assets in the ordinary course of business;

(5) the abandonment, farm in, farm out, lease or sublease of any mining properties, licenses or rights or surface rights or the forfeiture or other disposition of such properties, licenses or rights, in each case in the ordinary course of business;

(6) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person) related to such assets in the ordinary course of business;

(7) any sale or other disposition of damaged, unserviceable, worn-out or obsolete assets in the ordinary course of business;

(8) the sale or other disposition of cash or Cash Equivalents or other financial assets in the ordinary course of business;

(9) for purposes of the covenant described above under the heading "*—Repurchase at the Option of Holders—Asset Sales*" only, the making of a Permitted Investment or a disposition subject to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*";

(10) granting of Liens not prohibited by the covenant described under the caption "*—Certain Covenants—Liens*";

(11) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property, in the ordinary course of business and which do not materially interfere with the business of the Company and its Restricted Subsidiaries taken as a whole;

(12) a surrender or waiver of contract rights, mining licenses or rights, or surface rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(13) transactions permitted under "*—Certain Covenants—Mergers, Consolidation or Sale of Assets*";

(14) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(15) foreclosure, condemnation, expropriation, nationalization, eminent domain or any similar action with respect to any property or other assets;

(16) the sale, transfer, issuance or other disposition (in one or more transactions) of assets, including capital stock required by any agreement or arrangement related to consortia, joint ventures and similar

arrangements under the MPRDA, the B-BBEE Act, the Mining Charter or any other South African legislation relating to the economic empowerment of previously or historically disadvantaged South Africans; provided that any cash or Cash Equivalents received must be applied in accordance with the covenant described under "*—Repurchase at the Option of Holders—Asset Sales*";

(17) sale or transfer (whether or not in the ordinary course of business) of mining properties, licenses or rights, or surface rights, or direct or indirect interests in real property; provided that, at the time of such sale or transfer, such properties, licenses or rights do not have associated with them any more than de minimis probable reserves; and

(18) any transfer of assets or Equity Interests between or among the Company and its Restricted Subsidiaries in connection with the Williamson Reorganization or a Williamson Value Transfer; and

(19) any sale or disposition of Capital Stock or assets of WDL, Willcroft or Williamson Newco, provided that any such sale or disposition shall comply with clauses (b), (c), (d), (e) and (f) of the covenant described above under the heading "*—Repurchase at the Option of Holders—Asset Sales*" as if it was deemed to be an Asset Sale made pursuant to the terms of the Indenture.

"**Attributable Indebtedness**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/ Leaseback Transaction (including any period for which such lease has been extended), determined in accordance with IFRS; provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "**Capital Lease Obligations**".

"**B-BBEE Act**" means, collectively, the following South African legislation: (i) the Employment Equity Act (No. 55 of 1998); (ii) the Skills Development Act (No. 97 of 1998); (iii) the Preferential Procurement Policy Framework Act (No. 5 of 2000) and (iv) the Broad Based Black Economic Empowerment Act (No. 53 of 2003).

"**B-BBEE Partner**" means collectively, Itumeleng Petra Diamonds Employee Trust and Kago Diamonds (Pty) Ltd.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficial Ownership", "Beneficially Owns" and "Beneficially Owned" have a corresponding m**eaning.**

"**Board of Directors**" means:

a) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

b) with respect to a partnership, the board of directors of the general partner of the partnership;

c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

d) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, Johannesburg, Dublin or New York or place of payment under this Indenture are authorized or required by law to close.

"**Calculation Date**" has the meaning given in the definition of "Consolidated Net Total Leverage Ratio" and "Fixed Charge Coverage Ratio", as applicable.

"**Capital Lease Obligation**" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means:

a) in the case of a corporation, corporate stock;

b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or, membership interests; and

d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully guaranteed or insured by the government of the United States of America, a member state of the European Union on January 1, 2003 (excluding Greece), Switzerland, Canada or South Africa, (including, in each case, any agency or instrumentality thereof), as the case may be the payment of which is backed by the full faith and credit of the United States, the relevant member state of the European Union, Switzerland, Canada or South Africa, as the case may be, having maturities of not more than fifteen months from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, money market deposits, overnight bank deposits or bankers' acceptances (and similar instruments) having maturities of not more than fifteen months from the date of acquisition thereof issued by any commercial bank the long term indebtedness of which is rated at the time of acquisition thereof at least "BBB-" or the equivalent thereof by Standard & Poor's Ratings Services, or "Baa3" or the equivalent thereof by Moody's Investors Service, Inc. or the equivalent rating category of another internationally recognized rating agency, and having combined capital and surplus in excess of $500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) of this definition entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by Standard & Poor's Ratings Services or at least "P-2" or the equivalent thereof by Moody's Investors Service, Inc., or carrying an equivalent rating by an internationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof;

(5) any substantially similar investment to the kinds described in clauses (2) and (3) of this definition obtained in any country in which the Company or a Restricted Subsidiary conducts its business or is organized, in each case, (i) with the highest ranking obtainable in the applicable jurisdiction or (ii) with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long-term-debt, among the top five largest banks (measured by reserve capital) in such jurisdiction, in an amount not to exceed cash generated in or reasonably required for operation in such jurisdiction; and

(6) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (4) above.

"**Change of Control**" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation or similar business combination transaction), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the U.S. Exchange Act);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company or a Significant Subsidiary of the Company that owns or controls all or substantially all of the assets or properties of the Company and its Restricted Subsidiaries taken as a whole other than in a transaction which complies with the provisions described under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*"; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation or similar business combination transaction), the result of which is that any "person" (as defined in (1) above) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares.

"**Clearstream**" means Clearstream Banking, *société anonyme*.

"**Collateral**" means the rights, property and assets securing the Notes and the Guarantees as described in the section entitled "*—Collateral*" and any rights, property or assets over which a Lien has been granted to secure the Obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture.

"**Common Depositary"** means the common depositary for Euroclear and Clearstream with respect to the Notes in global form.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following (to the extent deducted in calculating such Consolidated Net Income), without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with (i) a sale, lease, conveyance or other disposition of assets or (ii) discontinued operations, in each case, (together with any related provision for taxes and any related non-recurring charges relating to any premium or penalty paid, write-off of deferred financing costs or other financial recapitalization charges in connection with redeeming or retiring any Indebtedness prior to its Stated Maturity) to the extent deducted in calculating such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period to the extent deducted in calculating such Consolidated Net Income; *plus*

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period to the extent deducted in calculating such Consolidated Net Income; *plus*

(4) depreciation, depletion, amortization (including, without limitation, amortization of intangibles and deferred financing fees but excluding amortization of prepaid cash expenses that were paid in a prior period), impairment and other non-cash charges and expenses (including, without limitation, write downs and impairment of property, plant, equipment and intangible and other long lived assets and the impact of purchase accounting on the Company and its Restricted Subsidiaries for such period), of such Person and its Restricted Subsidiaries (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) for such period to the extent deducted in calculating such Consolidated Net Income; *plus*

(5) any expenses, charges or other costs related to the issuance of any Capital Stock, or any Permitted Investment, acquisition, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" (including Refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to any

incurrence of Indebtedness issuance and (ii) any amendment or other modification of any incurrence, in each case, to the extent deducted in calculating such Consolidated Net Income; *plus*

(6) (A) any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) and (B) any restoration expense of the Company and its Restricted Subsidiaries attributable to accounting changes relating to restoration expense after the Issue Date; *plus*

(7) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; *plus*

(8) the proceeds of any loss of profit, business interruption or equivalent insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income; *plus*

(9) (a) the amount of any integration cost or business optimization expense or cost and other restructuring charges, expenses, accruals or reserves (including charges directly related to implementation of cost-savings initiatives) that is deducted (and not added back) in computing Consolidated Net Income for the applicable period, including, without limitation, those related to severance, retention, signing or completion bonuses and relocation, and any fees and expenses relating to any of the foregoing; and (b) the amount of cost savings, operating expense reductions, other operating improvements and initiatives and synergies projected by the Company in good faith to be realizable in connection with any Investment, acquisition, disposition, merger, consolidation, reorganization or restructuring, taken or initiated prior to or during such period (calculated on a *pro forma* basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized or expected to be realized prior to or during such period from such actions, provided, in the case of this clause (b) only, that the Company has received an opinion or letter from an accounting, appraisal or investment banking firm of international standing and reputation, or other recognized independent expert of international standing and reputation with relevant experience, stating that such amounts are reasonably identifiable and factually supportable in such party's opinion or view; *less*

(10) non-cash items increasing such Consolidated Net Income for such period, other than items that were accrued in the ordinary course of business.

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; provided that:

(1) the Net Income of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person and the Person's equity in a net loss of any such Person for such period will be included only to the extent such loss has been funded with cash flow from the Person or a Restricted Subsidiary during such period;

(2) the cumulative effect of a change in accounting principles will be excluded;

(3) non-cash income resulting from transfers of assets between such Person or any of its Restricted Subsidiaries will be excluded;

(4) any gain (or loss) realized upon the sale or other disposition of any property, plant or equipment of such Person or its consolidated Restricted Subsidiaries (including pursuant to any sale or leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by a responsible accounting or financial officer of the Company) and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person will be excluded;

(5) any unrealized non-cash gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock option or other equity-based award will be excluded;

(7) to the extent deducted in the calculation of Net Income, any non-cash or non-recurring charges associated with any premium or penalty paid, write-off of deferred financing costs or other financial recapitalization charges in connection with redeeming or retiring any Indebtedness prior to its Stated Maturity will be excluded; and

(8) (a) extraordinary, exceptional, unusual or non-recurring gains, losses or charges, (b) any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events) or (c) any non-cash charges or reserves in respect of any restructurings, redundancy, integration or severance, in each case will be excluded.

"**Consolidated Net Total Leverage**" means, as of any date of determination the total amount of Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis minus cash and Cash Equivalents of the Company and its Restricted Subsidiaries(other than Restricted Cash).

"**Consolidated Net Total Leverage Ratio**" means, as of any date of determination, the ratio of (a) the Consolidated Net Total Leverage of the Company on such date to (b) the Consolidated EBITDA of the Company for the most recently ended two full fiscal half-years for which internal financial statements are available immediately preceding the determination date. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Net Total Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Total Leverage Ratio is made (for the purpose of this definition, the "**Calculation Date**"), then the Consolidated Net Total Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Company) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable two full fiscal half-years reference period.

In addition, for purposes of calculating the Consolidated EBITDA for such period:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations or otherwise (including acquisitions of assets used or useful in the Permitted Business), or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the two half-year reference period or subsequent to such reference period and on or prior to the Calculation Date or that are to be made on the Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the two half-year reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two half-year period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two half-year period.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person Guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof; or

(4) for the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions, or similar claims, obligations or contributions or social security or wage taxes.

"**continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"**Counter-Indemnity Agreement**" means the counter-indemnity agreement entered into by the Issuer and the Guarantors and originally dated as of May 4, 2015, as amended and restated by a Financing Implementation and Release Agreement dated June 14, 2016 and as further amended and restated by an Implementation Agreement (ZAR Facilities) dated April 11, 2017 and to be amended and restated by an amendment and restatement agreement dated on or about the date of the Indenture, governed by South African law, for the purpose to indemnify the Security SPV in respect of, inter alia, the Notes SPV Guarantee.

"**Credit Facilities**" means, one or more debt facilities, capital markets indentures, instruments or arrangements incurred by the Company, any Restricted Subsidiary (including the Senior Facilities) with banks or other institutions or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables) or letters of credit, notes or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks or institutions and whether provided under one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any promissory notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "**Credit Facilities**" shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Exchange Protection Agreement**" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar or agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party and not for speculative purposes.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Designated Non-Cash Consideration**" means the Fair Market Value of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "**Designated Non-Cash Consideration**" pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable; pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature; provided, that only the portion of Capital Stock which so matures or is mandatorily redeemable, or is so redeemable at the option of the holder thereof prior to such date, will be deemed to be Disqualified Stock. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such Fair Market Value to be determined as set forth herein.

"**Emergency Capital Expenditure**" means capital expenditure which needs to be expended at the Williamson Mine on an urgent basis as a result of a health and safety, flooding, partial collapse, infrastructure failure, security or other emergency issue.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Offering**" means any public or private sale of Capital Stock (other than Disqualified Stock) by the Company after the Issue Date other than an issuance to any Subsidiary of the Company.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "**Escrowed Proceeds**" shall include any interest earned on the amounts held in escrow.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, as determined in good faith by a responsible accounting or financial officer of the Issuer.

"**Fixed Charge Coverage Ratio**" means, with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary course working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable two full fiscal half-year reference period; provided, however, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness incurred on the Calculation

Date (and, for the avoidance of doubt, not reclassified on such Calculation Date) pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge will result from the application of proceeds of any Indebtedness incurred pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

provided further that in calculating the Fixed Charge Coverage Ratio or any element thereof for any period, *pro forma* calculations will be made in good faith by a responsible financial or accounting officer of such Person (including any *pro forma* expenses and cost savings and cost reduction synergies that have occurred or, only with respect to any cost savings or cost reduction synergies that are attributable to an acquisition of another Person, are reasonably expected to occur within the next twelve months following the date of such calculation and that are reasonably identifiable and factually supportable including, without limitation, as a result of, or that would result from any actions taken by such Person or any of its Restricted Subsidiaries including, without limitation, in connection with any cost reduction or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganization or otherwise, in the good faith judgment of the chief executive officer, chief financial officer or any person performing a similarly senior accounting role of such Person (regardless of whether these cost savings and cost reduction synergies could then be reflected in *pro forma* financial statements to the extent prepared); provided that the aggregate amount of cost savings and cost reduction synergies that made be included in connection with an acquisition of another Person for any period shall not exceed 12.5% of Consolidated EBITDA calculated prior to any such additions for such period).

If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capital Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers, consolidations or otherwise (including acquisitions of assets used or useful in the Permitted Business), or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the two full fiscal half-year reference period or subsequent to such reference period and on or prior to the Calculation Date or that are to be made on the Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the two full fiscal half-year reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such two full fiscal half-year period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such two full fiscal half-year period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as of the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

"**Fixed Charge Coverage Ratio Test**" means the determination that the Fixed Charge Coverage Ratio for the Company's most recently ended two full fiscal half-years for which internal financial statements are available immediately preceding the date on which such determination is made, as the case may be, would have been at least 2.0 to 1.0.

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings), and net of the effect of all payments made or received pursuant to Hedging Obligations (excluding amortization of fees) in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock) to the Company or a Restricted Subsidiary of the Company, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal.

"**Guarantee**" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to maintain financial statement conditions or otherwise), or entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however that the term "**Guarantee**" will not include the endorsements for collection or deposit in the ordinary course of business or any obligation to the extent it is payable only in Capital Stock of the guarantor that is not Disqualified Stock. The term "Guarantee" used as a verb has a corresponding meaning.

"**Guarantor**" means each of (1) the Company, (2) the Subsidiary Guarantors and (3) any other Person that executes a Guarantee in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Group Restructuring Plan**" means the report entitled "Petra Diamonds Limited – Restructure Steps" prepared by Questco Corporate Advisory and dated February 23, 2021.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates.

"**Human Rights & Sustainability Policies**" means:

a) the Group's Human Rights Policy;

b) the Group's Code of Ethical Conduct;

c) the Company's Modern Slavery and Human Trafficking Statement; and

d) the Group's commitment to the Voluntary Principles on Security and Human Rights;

in each case as in effect from time to time.

"**IFRS**" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union.

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables in the ordinary course of business):

a) in respect of borrowed money;

b) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

c) in respect of banker's acceptances (except to the extent any such reimbursement obligations relate to trade payables in the ordinary course of business and such obligations are satisfied within 30 days of incurrence);

d) representing Capital Lease Obligations;

e) representing the balance deferred and unpaid of the purchase price of any property due more than one year after such property is acquired;

f) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary, any preferred stock (but excluding, in each case, any accrued dividends);

g) representing any Hedging Obligations;

h) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (i) the Fair Market Value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Persons; and

i) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person,

provided that the foregoing indebtedness (other than letters of credit and Hedging Obligations) shall be included in this definition of Indebtedness only if, and to the extent that, the indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with IFRS.

The term "**Indebtedness**" shall not include:

i) any lease of property which would be considered an operating lease under IFRS;

ii) Contingent Obligations;

iii) Rehabilitation Obligations;

iv) money borrowed and set aside at the time of the incurrence of any Indebtedness in order to pre-fund the payment of interest on such Indebtedness; provided that such money is held to secure the payment of such interest; or

v) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing.

"**Intercreditor Agreement**" means the intercreditor agreement dated on May 4, 2015 made between, among others, the Issuer, the Guarantors, the Security SPV and the lenders under and agent with respect to the Senior Facilities, as amended, restated or otherwise modified or varied from time to time and as acceded to by the Trustee on or about April 12, 2017 and as amended and restated as of March 9, 2021.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding endorsements of negotiable instruments and documents in the ordinary course of business, and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "*—Certain Covenants—Restricted Payments*". Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"**Issue Date**" means the date of original issuance of the Notes.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof.

"**Management Advances**" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, Officers or employees of any Company or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) in the ordinary course of business and (in the case of this clause (3)) not exceeding $1.0 million in the aggregate outstanding at any time.

"**Material Adverse Effect**" means a material adverse effect on (a) the ability of any member of the Company and its Restricted Subsidiaries to perform its obligations under, or otherwise comply with any of the provisions of, any of this Indenture or the Notes, or (b) the validity, enforceability or effectiveness of any of the Indenture or the Notes.

"**Mining Charter**" means the Broad-Based Socio Economic Empowerment Charter for the South African Mining Industry published in terms of 100(2) of the MPRDA, including any amendment, supplement, replacement or successor thereto, and any legislation or regulation of a similar or related nature adopted in The Republic of South Africa.

"**Minority Interest**" means the percentage interest represented by any shares of stock of any class of Capital Stock of a Restricted Subsidiary of the Company that are not owned by the Company or a Restricted Subsidiary of the Company.

"**Moody's**" means Moody's Investors Services Limited.

"**MPRDA**" means the Mineral and Petroleum Resources Development Act, No 28 of 2002, as amended, read with the regulations thereto.

"**Net Income**" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with IFRS and before any reduction in respect of preferred stock dividends, excluding, however:

a) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with: (i) any sale, lease, conveyance or other disposition of assets; (ii) discontinued operations or (iii) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

b) any extraordinary or non-recurring gain (but not loss), together with any related provision for taxes on such extraordinary or non-recurring gain (but not loss).

"**Net Proceeds**" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration or Cash Equivalents received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation:

(1) all legal, accounting, investment banking, commissions and other fees and expenses incurred, title and recording tax expenses, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS, as a consequence of such Asset Sale;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law be repaid out of the proceeds from such Asset Sale;

(3) all distributions and other payments required to be made to holders of Minority Interests in Subsidiaries or joint ventures as a result of such Asset Sale; and

(4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, or held in escrow, in either case for adjustment in respect of the sale price or for any liabilities associated with the assets disposed of in such Asset Sale and retained by the Company or any Restricted Subsidiary after such Asset Sale.

"**Non-U.S. Person**" means a person who is not a U.S. Person, within the meaning of Regulation S under the U.S. Securities Act.

"**Guarantee**" means a Guarantee by each Guarantor of the Issuer's Obligations under this Indenture and the Notes pursuant to this Indenture.

"**Notes SPV Guarantee**" means the second-priority limited recourse South African law guarantee provided by the Security SPV to the Trustee in favor of the Trustee on the Issue Date.

"**Obligations**" means any principal, interest, penalties, fees, expenses, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Officer**" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary of the Company or the equivalent position of any of the foregoing or, in the event that the Company is a partnership or a limited liability company that has no such officers, a person duly authorized under applicable law by the general partner, managers, members or a similar body to act on behalf of the Company. Officer of the Issuer or any Restricted Subsidiary has a correlative meaning.

"**Officer's Certificate**" means a certificate signed by an Officer.

"**Operating Mining Asset**" means each of the following: (1) the Company's and its Restricted Subsidiaries' operating mines at Cullinan, Finsch, Kimberley Underground, Koffiefontein and Williamson and (2) any future mining properties, surface rights and any related licenses owned directly or through participation interests by the Company or any of its Restricted Subsidiaries.

"**Permitted Business**" means (i) any businesses, services or activities engaged in by the Company or any of its Restricted Subsidiaries on the Issue Date or in connection with the MPRDA, the B-BBEE Act, the Mining Charter or any other South African legislation relating to the economic empowerment of previously or historically disadvantaged South Africans and (ii) the business, services or activities that are related or complementary to acquiring, exploring, exploiting, developing, producing, operating, transporting, marketing or disposing diamonds and other gemstones and any business or activity relating to, arising from, or necessary, appropriate or incidental to the foregoing activities.

"**Permitted Business Investments**" means Investments made in (A) a Permitted Business, including through agreements, acquisitions, transactions, interests or arrangements which permit one to share (or have the effect of sharing) risks or costs, comply with regulatory requirements regarding ownership or satisfy other customary objectives in mining or other extraction businesses, and in any event including, without limitation, Investments made in connection with or in the form of: (i) direct or indirect ownership interests in diamond mining properties, surface rights, gathering or upgrading systems or facilities and any related licenses; (ii) operating agreements, development agreements, area of mutual interest agreements, pooling agreements, service contracts, joint venture agreements, partnership or limited liability company agreements (whether general or limited), working interests, royalty interests, mineral leases, farm in agreements, farm out agreements, contracts for the sale, transportation or exchange of diamonds or other gemstones or other similar or customary agreements, transactions, properties, interests or arrangements, and Investments and expenditures in connection therewith or pursuant thereto and (iii) direct or indirect ownership interests in diamond mining businesses and related equipment, including without limitation, transportation and processing equipment; (B) Persons engaged in a Permitted Business.

"**Permitted Collateral Liens**" means:

(1) Liens securing the Notes (including any Additional Notes) and any Permitted Refinancing Indebtedness in respect thereof (and Permitted Refinancing Indebtedness in respect of such Permitted Refinancing Indebtedness) incurred to refinance such Notes incurred in compliance with clause (4) of the definition of Permitted Debt, and the related Guarantees or guarantees of such Permitted Refinancing Indebtedness; provided that each of the parties thereto will have entered into the Intercreditor Agreement or any Additional Intercreditor Agreement;

(2) Liens on the Collateral to secure Indebtedness that is permitted by clauses (1) or (2)(b) of the definition of Permitted Debt; provided that, in each case, all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secure the Notes and the Guarantees on a second lien basis (or at the option of the Issuer, on a senior or *pari passu* basis); provided further that such Liens on the Collateral may rank senior in priority to the Liens on the Collateral securing the Notes and the Guarantees; and provided further that each of the parties thereto will have entered into the Intercreditor Agreement or any Additional Intercreditor Agreement (for the avoidance of doubt, such Indebtedness may receive priority as to enforcement proceeds from such Collateral);

(3) Liens on the Collateral to secure obligations under Hedging Obligations (other than Hedging Obligations in respect of commodity prices) permitted by clause (8) of the definition of Permitted Debt; provided that, all property and assets (including without limitation the Collateral) securing such Indebtedness or Hedging Obligations also secure the Notes and any Guarantees on a second lien basis

(or at the option of the Issuer, on a senior or *pari passu* basis); provided further that such Liens on the Collateral may rank senior in priority to the Liens on the Collateral securing the Notes and the Guarantees; and provided further that each of the parties thereto will have entered into the Intercreditor Agreement or any Additional Intercreditor Agreement; and

(4) Liens on the Collateral that are described in one or more of clauses (6), (7), (8), (9), (13), (15), (18), (19), (20), (22), (25), (28) (29) and (32) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Security SPV to enforce any Lien over the Collateral.

"**Permitted Investments**" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company that is either a Guarantor or the Issuer; provided that (i) other than in respect of Investments made under paragraphs (t) or (v) below, such Restricted Subsidiary is owned on the Issue Date and (ii) such Investment is not in breach of any term of the Accounts Agreement;

(2) any Investment in cash and Cash Equivalents;

(3) loans to any B-BBEE Partners under facilities established as part of or arising from the Restructuring and in accordance with the Accounts Agreement;

(4) any Investment made as a result of the receipt of non-cash consideration from any sale, lease, conveyance or other disposition of assets that was made pursuant to and in compliance with the covenant described above under the caption "*—Repurchase at the Option of Holders—Asset Sales*";

(5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations not for speculative purposes;

(8) receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(9) surety and performance bonds and workers' compensation, utility, lease, tax, performance and similar deposits and prepaid expenses in the ordinary course of business;

(10) Guarantees of Indebtedness permitted under the covenant contained under the caption "C*ertain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(11) Guarantees by the Company or any of its Restricted Subsidiaries of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(12) Investments of a Restricted Subsidiary acquired after the Issue Date or of any entity merged into the Company or merged into or consolidated or amalgamated with a Restricted Subsidiary in accordance with the covenant described under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, consolidation or amalgamation and were in existence on the date of such acquisition, merger or consolidation;

(13) Investments received as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment in default;

(14) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(15) Investments in the Notes and any other Indebtedness of the Company or any Restricted Subsidiary;

(16) Management Advances;

(17) payroll, commission, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(18) Investments in any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits made in the ordinary course of business by the Company or any Restricted Subsidiary;

(19) Permitted Business Investments in an amount at the time of such Investment not to exceed $10.0 million at any one time outstanding (in each case, with the Fair Market Value of such Investment being measured at the time made and without giving effect to subsequent changes in value);

(20) Investments in consortia, joint ventures or any similar arrangements or in any non-Guarantors in an aggregate amount when taken together with all other Investments made pursuant to this clause (20) that are at the time outstanding not to exceed $10.0 million; provided that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*", in each case, that is a Guarantor, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investments" and not this clause (20);

(21) loans or grants in respect of community development projects made in the ordinary course of business in the Permitted Business as appropriate for the Company's regions of operation and consistent with past practice or counterparty requirements, and not exceeding the aggregate at any time outstanding of $2.0 million per calendar year (with unutilized amounts in any calendar year being carried over into succeeding years); and

(22) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (22) that are at the time outstanding, not to exceed $10.0 million; provided that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "*—Certain Covenants—Restricted Payments*", in each case, that is a Guarantor, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "**Permitted Investments**" and not this clause (22).

"**Permitted Liens**" means, with respect to any Person:

(1) Liens in favor of the Company or any Restricted Subsidiary;

(2) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; provided that such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;

(3) Liens existing on the Issue Date;

(4) Liens on Capital Stock of and assets of any Restricted Subsidiary that is not a Guarantor (other than WDL) that secure Indebtedness of such Restricted Subsidiary or any other Restricted Subsidiary that is not a Guarantor;

(5) Liens for taxes, assessments or governmental charges or claims that (x) are not yet due and payable or (y) that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been made;

(6) survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(7) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

(8) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of customs duties in connection with the importation of goods;

(9) any attachment, prejudgment or judgment Lien that does not constitute an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(10) Liens created for the benefit of (or to secure) the Notes (or any Guarantee);

(11) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture; provided, however, that: (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, redeemed, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(12) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained or deposited with a depositary institution;

(13) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(14) any (a) interest or title of a lessor or sublessor under any lease, mineral leases for bonus or rental payments and for compliance with the terms of such leases; (b) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to (including without limitation, ground leases or other prior leases of the demised premises, mortgages, mechanics' liens, statutory tax liens, and easements); or (c) subordination of the interest of the lessee or sublessee under such lease to any restrictions or encumbrance referred to in the preceding clause (b);

(15) Liens arising under the Indenture in favor of the Trustee for its own benefit and similar Liens in favor of other trustees, agents and representatives arising under instruments governing Indebtedness permitted to be incurred under the Indenture, provided, however, that such Liens are solely for the benefit of the trustees, agents or representatives in their capacities as such and not for the benefit of the holders of the Indebtedness;

(16) Liens securing Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(17) Liens upon specific items of inventory, receivables or other goods (or the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances or receivables securitizations issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory, receivables or other goods (or the proceeds thereof);

(18) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(19) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord, contractor or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary (including those arising from progress or partial payments by a third party relating to such property or assets) and subordination or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(20) Liens securing obligations permitted by clause (17) of the second paragraph of the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";

(21) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of the Company or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which the pledge exists;

(22) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(23) Liens under industrial revenue, municipal or similar bonds;

(24) Liens on any proceeds loan made by the Company or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness;

(25) Liens created on any asset of the Company or a Restricted Subsidiary established to hold assets of any stock option plan or any other management or employee benefit or incentive plan or unit trust of the Company or a Restricted Subsidiary securing any loan to finance the acquisition of such assets;

(26) Liens over treasury stock of the Company or a Restricted Subsidiary purchased or otherwise acquired for value by the Company or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;

(27) the following ordinary course items:

(a) leases, licenses, subleases or sublicenses (including, without limitation, real property and intellectual property rights) granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or the like Liens arising by contract or statute in the ordinary course of business;

(c) pledges or deposits made in the ordinary course of business (A) in connection with leases, tenders, bids, statutory obligations, surety or appeal bonds, government contracts, performance bonds and similar obligations, or (B) in connection with workers' compensation, unemployment insurance and other social security legislation (including, in each case, Liens to secure letters of credit issued to assure payment of such obligations);

(d) Liens arising from Uniform Commercial Code financing statement filings under U.S. state law (or similar filings under applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(e) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings in the ordinary course of business;

(f) leases, licenses, subleases and sublicenses of assets in the ordinary course of business; and

(g) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(28) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case, to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(29) Liens securing Indebtedness permitted by clause (4) of the second paragraph of the Incurrence of Indebtedness and Issuance of preferred stock covenant covering only the assets acquired with or financed by such Indebtedness;

(30) Liens arising under farm out agreements, farm in agreements, contracts for the sale, purchase, exchange, transportation, gathering or processing of minerals or ore, declarations, orders and agreements, partnership agreements, operating agreements, royalties, working interests, carried working interests, net profit interests, joint interest billing arrangements, participation agreements, production sales contracts, area of mutual interest agreements, deferred production agreements, other disposal agreements, seismic or geophysical permits or agreements, licenses, sublicenses and other agreements which are customary in the mining industry and are incurred in the ordinary course of business and (b) in connection with Rehabilitation Obligations; and

(31) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (3) through (33) or this clause (34)); provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced.

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, exchange, redeem, defease or discharge other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(1) the aggregate principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness being extended, renewed, refunded, refinanced, replaced, exchanged, redeemed, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, redeemed, exchanged, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being extended, renewed, refunded, refinanced, replaced, redeemed, defeased or discharged;

(3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is expressly contractually subordinated in right of payment to the Notes or the Guarantee, as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to, the Notes

or the Guarantee, as the case may be, on terms at least as favorable to the holders of Notes or the Guarantee, as the case may be, as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(4) if the Issuer or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, redeemed, defeased or discharged, such Indebtedness is incurred either by the Issuer or by a Guarantor.

Notwithstanding the foregoing, any Indebtedness incurred under Credit Facilities pursuant to the covenant described above under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" shall be subject to the refinancing provisions of the definition of "**Credit Facilities**" and not pursuant to the requirements set forth in this definition of Permitted Refinancing Indebtedness.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale whether or not listed on an exchange.

"**Rehabilitation Obligations**" means any statutory or other liability of the Company or any of its Restricted Subsidiaries relating to environmental legislations in South Africa, the United Republic of Tanzania and the Republic of Botswana arising from rehabilitation operations (including any counter-indemnity or guarantee provided by any Restricted Subsidiary to a financial institution which provides any form of environmental rehabilitation guarantee to the government of the Republic of South Africa, the United Republic of Tanzania, the Republic of Botswana or any other relevant government agency or organization) or similar requirements arising from rehabilitation operations customary in the mining industry.

"**Replacement Assets**" means properties and/or assets that replace the properties and/or assets that were the subject of an Asset Sale; provided that for the avoidance of doubt, it will not be possible to replace any Operating Mining Asset with another operating mine, mining properties, surface rights and any related licenses.

"**Restricted Cash**" means, on the relevant date of calculation, bank deposits and other cash and Cash Equivalents not immediately available for drawing by the Company or any of its Restricted Subsidiaries for use in the ordinary course of operations.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Subsidiary**" of a Person means any Subsidiary of the referent Person, other than any direct or indirect Subsidiary of Williamson Newco following the Williamson Reorganization.

"**Restructuring**" means the transactions for the restructuring of the indebtedness of the Company and its Subsidiaries, including the Scheme of Arrangement and the Group Restructuring Plan.

"**Sale/Leaseback Transaction**" means an arrangement relating to property now owned or hereafter acquired whereby the Company or any of its Restricted Subsidiaries transfers such property to a Person (other than the Company or any of its Subsidiaries) and the Company or any of its Restricted Subsidiaries leases it from such Person.

"**S&P**" means S&P Global Ratings Europe Limited.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Security Documents**" means (i) the share pledges, account pledges and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral and any other Liens in favor of the Security SPV as security for any obligations under the Counter-Indemnity

Agreement are pledged, assigned or granted to or on behalf of the Security SPV for the benefit of the holders of the Notes or in its capacity as a parallel debt creditor (as applicable) and the Trustee or notice of such pledge, assignment or grant is given; (ii) the Notes SPV Guarantee; and (iii) the Counter-Indemnity Agreement.

"**Senior Facilities**" means, other than any Hedging Obligations contained therein, collectively the term facility and revolving credit facility under the senior facilities agreement dated on or around March 9, 2021 between, among others, Ealing Management Services Proprietary Limited, as company and borrower, the guarantors listed therein, the lenders listed therein, Firstrand Bank Limited (acting through its Rand Merchant Bank Division), Lexshell 825 Investments (RF) Proprietary Limited and Bowwood and Main No 166 (RF) Proprietary Limited (the "**Senior Facilities Agreement**") and the Ancillary Facilities (in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time).

"**Significant Subsidiary**" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Company or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Company.

"**Stated Maturity**" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness (or as of the Issue Date if later), and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Obligation**" means any Indebtedness of the Issuer or any of the Guarantors (whether outstanding on the Issue Date or thereafter incurred) which is subordinate or junior in right of payment to the Notes pursuant to a written agreement or any Indebtedness of a Guarantor (whether outstanding on the Issue Date or thereafter incurred) which is subordinate or junior in right of payment to the Guarantee pursuant to a written agreement, as the case may be.

"**Subsidiary**" means, with respect to any specified Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership, joint venture, limited liability company or similar entity of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Subsidiary Guarantor**" means each Guarantor that is a Subsidiary of the Company.

"**Tax**" means any present or future tax, duty, levy, fee impost, assessment or other governmental charge (including penalties, interest and any other additions thereto that are imposed by any government or other taxing authority, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). "**Taxes**" and "**Taxation**" shall be construed to have corresponding meanings.

"**Total Assets**" means, with respect to any specified Person at any time, the total assets of such Person and its Subsidiaries which are Restricted Subsidiaries, in each case as shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with IFRS; provided that, for purposes of calculating "**Total Assets**" for purposes of testing the covenants under the Indenture in connection with any

transaction, the total consolidated assets of the Company and its Restricted Subsidiaries shall be adjusted to reflect any acquisitions and dispositions of assets that have occurred during the period from the date of the applicable balance sheet through the applicable date of determination, including any such transactions occurring on the date of determination.

"**Treasury Rate**" means as of any redemption date, the yield to maturity as of such redemption of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such statistical release is no longer published or available, any publicly available source of similar market data) most nearly equal to the period from the redemption date to March 9, 2023, provided, however, that if the period from the redemption date to March 9, 2023 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**U.S. dollar**" or "**$**" means the lawful currency of the United States of America.

"**U.S. Government Obligations**" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Voting Stock**" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"**Williamson Mine**" means the Williamson diamond mine in Mwadui, Shinyanga Province, Tanzania.

PART 9: CERTAIN TAX CONSIDERATIONS

The statements on taxation referred to in this part are for general information purposes only and are not intended to be a comprehensive summary of all technical aspects of the structure and are not intended to constitute legal or tax advice to potential investors.

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise for prospective investors in relation to the Notes (which may vary depending upon the particular individual circumstances and status of Noteholders).

These comments are based on the laws and published practices as at the time of writing and may be subject to future revision. This discussion is not intended to constitute advice to any person and should not be so construed.

Each Noteholder should consult their own tax advisers as to the possible tax consequences of the Scheme of Arrangement and an investment into the Notes under the laws of their country of citizenship, residence or domicile or other jurisdictions in which they are subject to tax.

Certain U.S. Income Tax Considerations

The following discussion describes certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by a U.S. Holder, as defined below, that acquires the Notes in this offering at their initial "issue price". This discussion is not a complete analysis or description of all of the possible tax consequences of such transactions and does not address all tax considerations that might be relevant to particular Noteholders in light of their personal circumstances or to persons that are subject to special tax rules. In particular, the information set forth below deals only with U.S. Holders, as defined below, that will hold the Notes as capital assets for U.S. federal income tax purposes (generally, property held for investment). The description below does not address the alternative minimum tax or Medicare tax on net investment income, and it does not address the tax treatment of special classes of holders, such as, financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities (or investors in such entities), tax-exempt entities, insurance companies, persons holding the Notes as part of a hedging, integrated or conversion transaction, constructive sale or "straddle" for U.S. federal income tax purposes, U.S. expatriates, dealers or traders in securities or currencies and traders in securities that elect to use the mark-to-market method of accounting for their securities, or taxpayers subject to special tax accounting as a result of items of gross income being taken into account in an applicable financial statement. This summary does not address U.S. federal estate and gift tax consequences or tax consequences under any state, local or non-U.S. laws.

The following discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury regulations promulgated under the Code, U.S. judicial decisions and administrative pronouncements as of the date hereof. All of the preceding authorities are subject to change, possibly with retroactive effect, which may result in U.S. federal income tax consequences different from those discussed below.

For purposes of this discussion, a "**U.S. Holder**" is a beneficial owner of Notes that is (1) an individual who is a citizen or a resident alien of the United States for U.S. federal income tax purposes, (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust, or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in such a partnership will generally depend upon the status of the partner and the activities of the entity. If you are a partner in such a partnership that is considering holding Notes, you should consult your tax advisor regarding the tax consequences of acquiring, owning and disposing of Notes.

The U.S. federal income tax treatment of the Notes and the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes is not clear. The discussion below assumes that the Notes

are properly characterized as debt instruments for U.S. federal income tax purposes, however, alternative characterizations are possible which may result in U.S. federal income tax consequences different from those discussed herein and such consequences may potentially be adverse for U.S. Holders.

The Company urges Noteholders to consult their own tax advisor regarding the application of U.S. federal, state and local tax laws, as well as any applicable foreign tax laws, to their particular situation.

Notes subject to contingencies

In certain circumstances, the Company may be obligated to pay amounts in excess of stated interest or principal on the Notes. For example, in the event of a Change of Control, the Company would generally be required to offer to repurchase the Notes at 101% of their principal amount plus accrued and unpaid interest (see "*Description of Notes - Repurchase at the Option of Holders - Change of Control*"). Under applicable U.S. Treasury regulations, the possibility that certain payments in excess of stated interest and principal will be made will not cause the Notes to be treated as "contingent payment debt instruments" for U.S. federal income tax purposes (which are subject to special rules, as described below) if there is only a remote likelihood as of the issue date of the Notes that these payments will be made, or if the amounts thereof are considered incidental. The Company intends to take the position that the possibility of such payments does not result in the Notes being treated as contingent payment debt instruments. The Company's position is binding on you unless you disclose your contrary position in the manner required by applicable U.S. Treasury regulations. The Company's determination, however, is not binding on the U.S. Internal Revenue Service (the "**IRS**"), and if the IRS were to challenge this determination, you might be required to accrue additional interest income on your Notes and to treat as ordinary income rather than as capital gain any income realised on the sale or other taxable disposition of a Note before the resolution of the contingency.

The remainder of this discussion assumes that the Notes will not be considered contingent payment debt instruments.

Payments of interest

A Note will be considered to be issued with original issue discount ("**OID**") if its stated redemption price at maturity (the sum of all payments to be made on the Note other than qualified stated interest) exceeds its issue price, determined as described below, by more than a statutorily defined de minimis amount. Interest payments on the Notes will be deferred for at least the first 24 months of the term of the Notes and, accordingly, no stated interest on the Notes will be qualified stated interest for U.S. federal income tax purposes. As a result, the Notes will be treated as issued with OID for U.S. federal income tax purposes. Interest, including OID, on the Notes will be treated as foreign source income for U.S. federal income tax purposes.

In general, the issue price generally is the first price at which a substantial amount of the Notes is sold to the public, excluding sales to bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers. Because some Notes will be issued for the advance of new money to the Company, the issue price of all Notes may be determined by reference to Notes (including additional Notes) issued for new money. However, the determination of issue price of the Notes is not clear under the circumstances and may be subject to alternative determinations. U.S. Holders are strongly urged to consult with their own tax advisers about the consequences of acquiring, holding and disposing of the Notes.

Subject to the discussion of acquisition premium, a U.S. Holder generally will be required to include OID in income before the receipt of the associated cash payment, regardless of the U.S. Holder's accounting method for tax purposes. A U.S. Holder will be required to include OID in income for U.S. federal income tax purposes as it accrues on a constant yield basis in advance of the receipt of cash payments to which such income is attributable. A U.S. Holder that has acquisition premium in respect of the Notes and that has not made an election to treat all interest on the Notes as OID will reduce the daily portions of OID by a fraction equal to: (i) the excess of the U.S. Holder's adjusted basis in the Notes immediately after acquisition over the adjusted issue price of the Notes over (ii) the excess of the sum of all amounts payable, other than qualified stated interest, on the Notes after the acquisition date over the Notes' adjusted issue price. A U.S. Holder will have acquisition premium if a U.S. Holder's adjusted basis in their Notes is less than or equal to the sum of all amounts, other than qualified stated interest, payable on the U.S. Holder's Notes after the acquisition date but is greater than the amount of the Notes' adjusted issue price. Determination of a U.S. Holder's adjusted

basis may be subject to uncertainty. U.S. Holders are strongly urged to consult with their own tax advisers regarding any acquisition premium they may have in respect of the Notes and the consequences of acquiring, owning and disposing of the Notes.

Each payment of interest on a Note will be treated first as a payment of any accrued OID on the Note to the extent such accrued OID has not been allocated to prior cash payments and second as a payment of principal on the Note. U.S. Holders generally will not be required to separately include interest on the Notes to the extent such cash payments constitute payments of previously accrued OID or payments of principal.

Sale, exchange, retirement or other taxable disposition of the Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, you will generally recognise capital gain or loss in an amount equal to the difference between (i) the amount realised on such disposition (other than any amount that is attributable to accrued but unpaid interest not previously included in income, which will be taxable as ordinary interest income) and (ii) your adjusted tax basis in the Note at the time of sale, exchange, retirement or other disposition. U.S. Holders are strongly urged to consult with their own tax advisers regarding their adjusted tax basis in the Note.

Any capital gain or loss will be long-term capital gain or loss if at the time of the sale, exchange, retirement or other taxable disposition of the Note, the U.S. Holder has held the Note for more than one year. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is generally taxed at reduced rates. Gain or loss realised by a U.S. Holder on the sale, exchange, retirement or other taxable disposition of a Note generally will be treated as United States source gain or loss. The deductibility of capital losses is subject to limitations.

Information reporting and backup withholding

In general, payments of principal, interest and payments of the proceeds of a sale, exchange retirement and other taxable disposition of a Note, paid within the United States or through certain U.S. related financial intermediaries to a U.S. Holder, may be subject to information reporting and backup withholding unless the U.S. Holder (i) is an exempt recipient or (ii) in the case of backup withholding (but not information reporting), provides an accurate taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. Any amounts withheld from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided the required information is furnished to the IRS in a timely manner. You should consult your tax advisor regarding the application of backup withholding, the availability of an exemption from backup withholding and the procedure for obtaining such an exemption, if available.

"Specified foreign financial asset" reporting

Owners of "specified foreign financial assets" with an aggregate value in excess of $50,000 (and in some circumstances, a higher threshold), may be required to file an information report with respect to such assets with their U.S. federal income tax returns. "Specified foreign financial assets" generally include any financial accounts maintained by foreign financial institutions as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. You should consult your tax advisor regarding the possible implications of this legislation on your investment in the Notes.

Certain U.K. Tax Considerations with respect to the Notes

The following is a general guide to certain limited aspects of the UK tax treatment of acquiring and holding the Notes and does not purport to be a complete analysis of all the potential UK tax considerations relating thereto. The statements set out below do not constitute tax advice and are based on current UK tax law and HMRC's published practice (which may not be binding on HMRC) as at the date of this document, each of which is subject to change at any time (possibly with retrospective effect).

The statements below relate to the position of persons who are the absolute beneficial owners of the Notes and some aspects do not apply to certain classes of persons (such as holders of the Notes who are connected or associated with the Issuer for relevant tax purposes) to whom special rules may apply. Prospective holders of the Notes who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice as to the consequences of the purchase, ownership and disposal of the Notes in light of their particular circumstances.

a) Interest on the Notes

UK withholding tax considerations

The UK imposes withholding tax on payments of interest, but not principal. However, the obligation to withhold or deduct UK income tax from payments of interest is subject to certain exemptions.

Any payment of interest in respect of the Notes(or any Additional Notes) may be made without withholding or deduction for or on account of UK income if the Notes (or, as the case may be, the Additional Notes) are and continue to be "quoted Eurobonds" as defined in section 987 of the Income Tax Act 2007 (the "**Quoted Eurobond Exemption**"). The Notes and the Additional Notes will constitute "quoted Eurobonds" if they carry a right to interest and are and continue to be "listed on a recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by HMRC and either they are included in the United Kingdom official list or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the United Kingdom in which there is a recognised stock exchange.

Euronext Dublin is a recognised stock exchange for these purposes. Securities which are officially listed and admitted to trading on the Regulated Market of Euronext Dublin, may be regarded as listed on a recognised stock exchange.

It is intended that an application will be made to Euronext Dublin for the Notes to be admitted to its Official List and to trading on the Regulated Market of Euronext Dublin. If Additional Notes are issued, it is intended that an application will be made to Euronext Dublin for them to be admitted to its Official List and to trading on the Regulated Market of Euronext Dublin. While the Notes and the Additional Notes are and continue to be "quoted Eurobonds", payments of interest on the Notes or the Additional Notes by the Issuer can be made without withholding or deduction for or on account of UK income tax.

Interest may also be paid without withholding or deduction for or on account of UK income tax where, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest is paid reasonably believes) that the recipient of the payment (a) is a person beneficially entitled to the interest and within the charge to United Kingdom corporation tax as regards the payment of interest, because it is (i) a United Kingdom resident company, or (ii) a non-United Kingdom resident company carrying on a trade in the United Kingdom through a permanent establishment which brings into account the interest in computing its United Kingdom taxable profits, or (b) falls within, or acts as nominee for an entity falling within, various categories enjoying a special tax status (including charities and pension funds), or (c) is a partnership beneficially entitled to the interest, and consisting only of entities falling within (a)(i), (a)(ii) or (b), in each case provided that HMRC has not given a direction that the interest should be paid under deduction of tax.

In cases falling outside the Quoted Eurobond Exemption and the circumstances set out in (a) to (c) above, interest on the Notes (or the Additional Notes) may fall to be paid under deduction of UK income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

The Notes are issued with the possibility of a premium payable on early redemption. The payment of such a redemption premium may be treated as a payment of interest for United Kingdom tax purposes and may be subject to the withholding tax treatment discussed in the paragraphs above.

The above description of the UK withholding tax position assumes that there will be no substitution of the Issuer, as issuer of the Notes or any Additional Notes of the Notes, and does not consider the tax consequences of any such substitution.

Direct assessment and non-UK residents

Interest on the Notes (or the Additional Notes, as the case may be) constitutes UK source income for UK tax purposes and, as such, may be subject to UK income tax by direct assessment even where paid without deduction or withholding. The same analysis may apply to any premium payable on early redemption. However, interest and premium with a UK source received without deduction or withholding on account of UK tax will not be chargeable to UK tax in the hands of a holder of the Notes (or the Additional Notes, as the case may be) who is not resident for tax purposes in the UK unless that holder carries on a trade, profession or vocation in the UK through a UK branch or agency or for any holders who are companies through a UK permanent establishment, in connection with which the interest and premium is received or to which the Notes (or the Additional Notes, as the case may be) are attributable. There are exemptions for interest and premium received by certain categories of agent (such as some brokers and investment managers).

UK corporation taxpayers

Under the "loan relationship" rules set out in Part 5 of the Corporation Tax Act 2009, the holders of the Notes (or the Additional Notes, as the case may be) who are within the charge to UK corporation tax will generally be taxed in respect of their holdings of the Notes (or the Additional Notes, as the case may be) on a basis which is consistent with their statutory accounting treatment (so long as the accounting treatment is in accordance with generally accepted accounting practice as that term is defined for UK tax purposes).

Other UK taxpayers

Holders of the Notes who are individuals and are resident for tax purposes in the United Kingdom, or who carry on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency to which the Notes are attributable will generally be liable to United Kingdom tax on the amount of any interest or premium received in respect of the Notes. The issue of the Additional Notes will be treated for UK income tax purposes as if it were the payment of interest equal to the market value of the Additional Notes at the time of their issue.

b) Stamp duty and stamp duty reserve tax ("**SDRT**")

The issuance of any Notes (or Additional Notes) should not be subject to UK stamp duty or SDRT. UK stamp duty or SDRT should also not be chargeable on an instrument which transfers Notes (or Additional Notes) on the basis that the Notes (or Additional Notes) do not carry a right of conversion into shares or other securities, or to the acquisition of shares or other securities, nor does the Company expect them to be regarded as carrying:

a) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital; or

b) a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property or

c) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the London Stock Exchange).

Certain Bermuda Tax Considerations

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by Noteholders. The Company and the Company's subsidiary incorporated in Bermuda have obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035,

be applicable to such entities or to any of their operations or to their shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by such entities in respect of real property owned or leased by such entities in Bermuda. Given the limited duration of any assurance by the Minister of Finance of Bermuda, the Company cannot be certain that it or its subsidiary incorporated in Bermuda will not be subject to any Bermuda taxes after March 31, 2035. The Company and its subsidiary pay the applicable Bermuda annual government fee.

Certain South African Tax Considerations

The following is a general high level guide to the South African tax considerations relating to the Notes based on current law and practice. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice. Prospective holders of Notes should consult their own professional advisers.

Persons who are tax resident in South Africa will be subject to income tax on all interest and other income received by or accruing to them in respect of the Notes. Companies are generally taxed at the rate of 28% while individuals are taxed at progressive rates up to a maximum rate of 45%. Most trusts pay income tax at a flat rate of 45%.

Proceeds arising in respect of the disposal of a Note by a South African tax resident will be subject to income tax or capital gains tax depending on the specific circumstances of the investor in question. Companies pay capital gains tax at an effective rate of 18.6% while individuals pay capital gains tax at progressive rates up to a maximum effective rate of 18%. Most trusts pay capital gains tax at the effective rate of 36%.

Since the Notes are denominated in U.S. Dollars, certain South African resident investors should be aware that foreign exchange gains and losses arising in respect of the Notes could be taxable in South Africa upon translation of the Notes at year end and upon realization thereof. Generally speaking, trusts which do not conduct a trade and individuals who are not speculating in any foreign currency-denominated debt instruments, will not be subject to any tax on such foreign exchange gains and will not be able to claim any foreign exchange losses, whether for income tax or for capital gains tax purposes.

Interest paid to persons who are not tax resident in South Africa are generally subject to withholding tax at the rate of 15% if the funds derived from the Notes are utilised in South Africa. The withholding tax will not apply if the Notes are listed on a recognized exchange. Euronext Dublin is a recognized exchange. Apart from this, a relevant double tax agreement may reduce the rate of withholding tax, if all the requirements thereof and of the tax legislation are fulfilled.

Certain Jersey Tax Considerations

The Income Tax (Jersey) Law 1961 provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey, is zero per cent ("**zero tax rating**") and that only a limited number of financial services companies which are regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998, are subject to income tax at a rate of 10 per cent For so long as any of the Jersey Guarantors (as defined herein) holds a "zero tax rating", no withholding in respect of Jersey taxation will be required on payments made by such Jersey Guarantors to any holder of the Notes.

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue or transfer of Notes

PART 10: NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer as follows:

(1) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(2) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions on transfer have been complied with.

(3) You acknowledge that the Issuer and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes is no longer accurate, you shall promptly notify the Issuer. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(4) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Company that would result in a public offering of the Notes or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer, the Company or the Notes where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth in this Prospectus.

(5) You agree that you are not nor are you acting for the account of a retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes (and the Guarantees) or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes (and the Guarantees) or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

(6) You agree that you are not nor are you acting for the account of a retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the EU Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

(7) You understand that: (i) the Notes (and the Guarantees) are not intended to be offered, sold or otherwise made available to an should not be offered, sold or otherwise made available to any retail investor in the EEA or UK, as defined in paragraphs 5 and 6 above respectively.

NOTICE TO U.S. INVESTORS

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or under the securities law of any state or other jurisdiction of the United States and may not be offered sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in, into or from the United States except (A) in an "offshore transaction" within the meaning of and pursuant to Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (B) in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (C) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States and subject to the delivery to the Issuer of an opinion of counsel, certifications or other evidence as the Issuer may reasonably require.

The Notes are being made available (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) in the United States to a limited number of Institutional Accredited Investors in transactions exempt from the registration requirements of the U.S. Securities Act.

Until 40 days after the commencement of the distribution of the Notes, an offer, sale or transfer of the Notes within the United States by a dealer may violate the registration requirements of the U.S. Securities Act.

Any person in the United States into whose possession this document comes should inform themselves about and observe any applicable legal restrictions. Any such person in the United States who is not an Institutional Accredited Investor is required to disregard this document.

NOTICE TO SOUTH AFRICAN INVESTORS

THE OFFER OF THE NOTES IS NOT AN "OFFER TO THE PUBLIC" AS DEFINED IN SECTION 95(1)(H) OF THE COMPANIES ACT, 71 OF 2008 (AS AMENDED) ("SOUTH AFRICAN COMPANIES ACT") NOR DOES IT CALL ATTENTION TO OR ADVERTISE AN OFFER TO THE PUBLIC, AND THIS PROSPECTUS DOES NOT, NOR IS IT INTENDED TO, CONSTITUTE A PROSPECTUS PREPARED AND REGISTERED UNDER THE SOUTH AFRICAN COMPANIES ACT. NO SOUTH AFRICAN RESIDENT OR OTHER OFFSHORE SUBSIDIARIES MAY SUBSCRIBE FOR OR PURCHASE ANY NOTES OR BENEFICIALLY OWN OR HOLD ANY NOTES UNLESS SUCH SUBSCRIPTION, PURCHASE OR BENEFICIAL HOLDING OR OWNERSHIP IS PURSUANT TO SECTION 96(1) OF THE SOUTH AFRICAN COMPANIES ACT, OR IS OTHERWISE PERMITTED UNDER THE SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS OR THE RULINGS OR POLICIES OF THE SOUTH AFRICAN RESERVE BANK OR APPLICABLE LAW.

PART 11: LISTING AND GENERAL INFORMATION

Listing and admission to trading of the Notes

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin, for the Notes to be admitted to the Official List and trading on the Regulated Market of Euronext Dublin. The total expenses relating to the issue is €7,790 (as described in Part 8: "*Description of the Notes*", the Notes have been issued prior to the date of this Prospectus) and the estimated net amount of the proceeds is $336,656,000 million.

There are not any material conflicts of interest pertaining to the offer or the admission to trading.

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 16 November 2020.

For so long as the Notes are listed on Euronext Dublin and the rules and regulations of that exchange so require, copies of the following documents will be available for inspection upon request from the registered office of the Issuer at Suite 31 Second Floor, 107 Cheapside, London, EC2V 6DN, United Kingdom:

- the Company and Guarantors' organizational documents;
- the Group's most recent audited consolidated financial statements and the Issuer's most recent audited financial statements and any unaudited interim financial statements published by the Group or the Issuer;
- related audited reports by the independent auditor;
- the Issuer's and each of the Guarantors' constitutive documents;
- the Indenture (which includes the form of the Notes);
- the Intercreditor Agreement;
- the report by BDO on the unaudited pro forma financial information;
- the Prospectus; and
- all reports, letters and other documents, valuations and statements prepared by any competent person at the Issuer's request any part of which is included or referred to in this Prospectus.

The above documents can be found at the following website: https://www.petradiamonds.com/investors/2021-financial-restructuring/.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream (each a "**Clearing System**"). The ISIN for the Notes is XS2289899242 in respect of the Private Placement Global Note and ISIN XS2289895927 in respect of the Regulation S Global Note. The Common Code for the Notes is 228989924 in respect of the Private Placement Global Note and Common Code 228989592 in respect of the Regulation S Global Note.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg.

Whilst the Notes may only be traded in denominations of $1,000 and in integral multiples of $1.00 in excess thereof for the purpose of the ICSDs the denominations are considered as 1.

For the avoidance of doubt the ICSDs are not required to monitor or enforce the minimum amount.

No Significant Change and No Material Adverse Change

Save as disclosed below, there has been no significant change in the financial position or financial performance of the Group since December 31, 2020 and no material adverse change in the prospects of the Issuer or the Group since June 30, 2020.

During August 2020, the Company successfully completed the move to 'continuous operations', however during September and October 2020, production at the Finsch mine was impacted by the arrangements to maintain 'continuous operations', to offset the impact of COVID-19 mitigation measures, coming to an end. In October 2020, an agreement was reached with organised labour to reinstate 'continuous operations' for the remaining period of the financial year to June 30, 2021.

The diamond market has shown some improvement in FY 2021 but there is still uncertainty around further disruption due to COVID-19 related restrictions. Revenue of US$284.2 million for the 9 months ending 31 March 2021 was in-line with the same period in the prior year from 2,445,360 carats sold (9 months ending 31 March 2020: US$285.2 million from 3,002,697 carats sold) with the US$40.4 million proceeds from the Letlapa Tala Collection of blue diamonds and proceeds of US$12.18 million from a 299ct Type IIa diamond from the Cullinan mine, recovered during January 2021, which was sold in March 2021., offset by weaker prices following the COVID-19 outbreak and fewer tenders during the Period. Diamond pricing on a like-for-like basis increased by a further 12% at the Company's Q3 FY2021 tenders, confirming that pricing has now returned to pre-COVID-19 levels. Two exceptional blue stones, a 39.34ct and a 11.82ct, were recovered from Cullinan in April 2021. The 11.82ct blue stone was sold during April 2021 for US$9.5 million. The 39.34ct stone will be sold via a special tender, the timing of which is yet to be determined. The significant rainfall levels experienced during January and February 2021 at the Finsch and Koffifientein mines will likely impact delivery of throughput production targets.

Conditions in the diamond industry improved as lockdown measures around the world were eased and retail outlets reopened. Since the outbreak of COVID-19, a period of sustained low supply, particularly from the majors De Beers and ALROSA, has allowed for a better equilibrium in the market and there is now improved demand from the downstream. Many producers have reinstated their usual sales tender pattern in order to match demand. However, all participants in the industry recognise that risks to a sustained recovery remain, particularly in light of the current resurgence of COVID-19 in key diamond markets, and much will depend on the level of consumer activity in the coming months, especially in the major US market.

On 20 October 2020, following an extensive period of engagement and negotiation with stakeholders and undertaking a strategic review (incorporating a formal sales process), the Company announced that it had reached agreement in principle in relation to the key terms of the Consensual Restructuring.

On November 17, 2020, certain members of the Group (being the Company, the Issuer and the Guarantors) entered into the Lock-Up Agreement with the Group's BEE Partners, Noteholders then representing approximately 61.2 per cent. in value of the Notes Debt, the First Lien Lenders and the Information Agent. Pursuant to the Lock-Up Agreement, all parties agreed, among other things and subject to certain conditions and limitations, to take all steps reasonably necessary to support, facilitate, implement, consummate or otherwise give effect to the Consensual Restructuring.

On March 10, 2021, the Consensual Restructuring took place, significantly strengthening the balance sheet. Consolidated net debt reduced from US$700.4 million (H1 FY 2021) to US$290.7 million as at 31 March 2021. The unrestricted cash balance of the Company increased from US$92.4 million (H1 FY 2021) to US$139.8 million as at 31 March 2021.

Litigation

Save for as described in Part 2 "*Risk* Factors" paragraphs 6 ("*The nature of the Group's business includes risks related to litigation and administrative proceedings*") and 7 ("*There are allegations against the Company and Williamson Diamonds Limited regarding human rights violations*"), there are no governmental, legal or arbitral proceedings (including any such proceedings which are pending or threatened and of which the Group is aware) which may have, or have had during the 12 months prior to the date of this document, a significant effect on the Group's financial position or profitability.

Auditors

The statutory auditors of the Issuer for the 2019 and 2020 financial years and for the Group for the 2019 and 2020 financial years and the 2021 financial half year ending December 31, 2020 are BDO LLP. The registered address of BDO LLP is 55 Baker Street London W1U 7EU, United Kingdom. BDO LLP is authorised and regulated by the Institute of Chartered Accountants in England and Wales under registration number C001055835.

Credit Ratings

As at the date of this Prospectus, the Notes have been rated Caa2 by Moody's and B- by S&P. Please see an explanation of the meaning of this rating below:

Long-Term Credit Ratings:

An obligation rated 'Caa' by Moody's are judged to be of poor standing and are subject to a very high credit risk. Moody's appends numerical modifiers 1, 2 and 3 to a 'Caa' rating. The modifier 2 indicates a mid-range ranking.

An obligation rated 'B' by S&P is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. However, adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation. A rating may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

PART 12: DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus:

1. The Issuer's audited financial statements for the year ended June 30, 2019 (including the audit report thereon) (available for viewing at https://www.petradiamonds.com/wp-content/uploads/Petra-Diamonds-US-Treasury-Plc-2019-Accounts.pdf);

2. The Issuer's audited financial statements for the year ended June 30, 2020 (including the audit report thereon) (available for viewing at https://www.petradiamonds.com/wp-content/uploads/Petra-Diamonds-US-Treasury-Plc-2020-Accounts.pdf);

3. The Group's annual report and audited financial statements for the year ended June 30, 2019 (available for viewing at https://www.petradiamonds.com/wp-content/uploads/Petra-Diamonds-Limited-2019-Annual-Report.pdf); and

4. The Group's annual report and audited financial statements for the year ended June 30, 2020 (available for viewing at https://www.petradiamonds.com/wp-content/uploads/Petra-Diamonds-Limited-Annual-Report-and-Accounts-2020-red.pdf).

5. The Group's half-year report and unaudited financial statements for the half-year ended December 31, 2020 (available for viewing at https://www.petradiamonds.com/wp-content/uploads/Petra-Diamonds-Limited-Half-Year-Report-ended-31-December-2020.pdf).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

PART 13: UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Unaudited Pro Forma Financial Information

The following unaudited pro forma net assets statement of the Group (the "**pro forma financial information**") has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Consensual Restructuring had taken place December 31, 2020.

The pro forma financial information has been prepared for illustrative purposes only and illustrates the impact of the Consensual Restructuring as if it had been undertaken at an earlier date. As a result, the hypothetical financial position or results included in the pro forma financial information may differ from the Group's actual financial position or results.

The pro forma financial information is based on the consolidated net assets of the Group as at December 31, 2020, set out in the unaudited interim consolidated financial statements of the Group in respect of the six months ended December 31, 2020.

The pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information, on the basis set out in the notes below.

The pro forma financial information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006.

BDO LLP's report on the pro forma financial information is set out in Section B of this Part 10 ("Unaudited Pro Forma Financial Information").

Unaudited pro forma net assets statement as at December 31, 2020

	The Group as at December 31, 2020[1]	**Consensual Restructuring – Notes and First Lien Facilities adjustments[2]**	**Pro forma net assets of the Group as at December 31, 2020**
	US$m	**US$m**	**US$m**
ASSETS			
Non-current assets			
Property, plant and equipment	773.3	-	773.3
Right-of-use asset	3.0	-	3.0
BEE loans receivable	175.1	-	175.1
Other receivables	10.6	-	10.6
Deferred tax assets	0.1	-	0.1
Total non-current assets	**962.1**	-	**962.1**
Current assets			
Trade and other receivables	42.8	(19.4)	23.4
Inventories	126.4	-	126.4
Cash and cash equivalents (including restricted amounts)	106.3	12.8	119.1
Total current assets	**275.5**	**(6.6)**	**268.9**
Total assets	**1,237.6**	**(6.6)**	**1,231.0**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	-	400.4	400.4
BEE loans payable	133.4	-	133.4
Provisions	73.7	-	73.7
Lease liability	1.0	-	1.0
Deferred tax liabilities	49.3	-	49.3
Total non-current liabilities	**257.4**	**400.4**	**657.8**
Current liabilities			
Loans and borrowings	810.4	(790.5)	19.9
Lease liability	1.3	-	1.3
Trade and other payables	47.5	-	47.5
Total current liabilities	**859.2**	**(790.5)**	**68.7**
Total liabilities	**1,116.6**	**(390.1)**	**726.5**

Net assets	**121.0**	**383.5**	**504.5**

Notes:

(1) The net assets of the Group at December 31, 2020 have been extracted without adjustment from the unaudited interim consolidated financial statements of the Group in respect of the 6 months ending December 31, 2020 which are incorporated by reference in this document.

(2) Reflects the impact on the Group's net assets pursuant to the Consensual Restructuring of the Notes and the First Lien Facilities, analysed as follows:

	Debt for Equity Conversion[(i)]	**Replacement of remaining Notes with New Notes[(ii)]**	**Amendment of First Lien Facilities[(iii)]**	**Total**
	US$m	**US$m**	**US$m**	**US$m**
ASSETS				
Non-current assets				
Property, plant and equipment	-	-	-	-
Right-of-use asset	-	-	-	-
BEE loans receivable	-	-	-	-
Other receivables	-	-	-	-
Deferred tax assets	-	-	-	-
Total non-current assets	**-**	**-**	**-**	**-**
Current assets				
Trade and other receivables	(7.1)	(11.9)	(0.4)	(19.4)
Inventories	-	-	-	-
Cash and cash equivalents (including restricted amounts)	(6.1)	19.9	(1.0)	12.8
Total current assets	**(13.2)**	**8.0**	**(1.4)**	**(6.6)**
Non-current assets classified as held for sale	-	-	-	-
Total assets	**(13.2)**	**8.0**	**(1.4)**	**(6.6)**
LIABILITIES				
Non-current liabilities				
Loans and borrowings	-	313.3	87.1	400.4
BEE loans payable	-	-	-	-
Provisions	-	-	-	-
Lease liability	-	-	-	-
Deferred tax liabilities	-	-	-	-
Total non-current liabilities	**-**	**313.3**	**87.1**	**400.4**
Current liabilities				
Loans and borrowings	(403.4)	(298.6)	(88.5)	(790.5)
Lease liability	-	-	-	-
Trade and other payables	-	-	-	-
Total current liabilities	**(403.4)**	**(298.6)**	**(88.5)**	**(790.5)**
Total liabilities	**(403.4)**	**14.7**	**(1.4)**	**(390.1)**
Net assets	**390.2**	**(6.7)**	**-**	**383.5**

(i) This adjustment represents the conversion of a portion of the existing Notes into equity, as explained in paragraph 3(a) of Part 3 of this document. It includes transaction costs of US$13.2 million estimated for this element of the Consensual Restructuring.

(ii) This adjustment represents the conversion of the remaining portion of the Notes into New Notes, as explained in paragraph 3(c) of Part 3 of this document. In addition, US$30 million of New Money is received in cash from the holders of the New Notes, as explained in paragraph 3(c) of Part 3 of this document. Furthermore, the adjustment includes transaction costs of US$22.1 million estimated for this element of the Consensual Restructuring, and unamortised transaction costs of US$1.1m relating to the Notes. The US$313.3 million carrying value of the New Notes comprises US$336.7 million face value of the New Notes (of

which US$306.7 million is in exchange for the Notes, and US$30 million is New Money), less transaction costs of US$22.1 million and unamortised transaction costs of US$1.3 million.

(iii) This adjustment reflects the amendment of First Lien Facilities, as explained in paragraph 3(d) of Part 3 "*Consensual Restructuring*" of this document. The amount drawn down under the New Term Loan is ZAR1.2 billion and the amount drawn down under New RCF is ZAR400 million. Adjustments have been made to these facilities which represents the reallocation of US$88.5 million of loans and borrowings from current liabilities comprising US$87.1 million reallocated to non-current loans and borrowings (being US$65.5 million (ZAR962.1 million) under the Term Facility and US$21.6 million (ZAR317.3 million) under the New RCF) plus $0.4 million in prepaid transaction costs, with the remaining amounts held in current loans and borrowings. Furthermore the adjustment represents the cash settlement of US$1.0 million in transaction and interest costs comprising of $0.6 million in accrued interest attributable to the BEE bank debt and transaction costs attributable to the First Lien Facilities of US$0.4 million.

(3) No account has been taken of the financial performance of the Group since December 31, 2020 nor of any other event save as disclosed above.

Section B: Reporting Accountant's report on the Unaudited Pro Forma Financial Information

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Petra Diamonds US$ Treasury Plc
Suite 31 Second Floor
107 Cheapside
London
EC2V 6DN

7 May 2021

Dear Sir or Madam

Pro forma financial information

We report on the unaudited pro forma net assets statement (the "**Pro Forma Financial Information**") set out in Section A of Part 13 of the prospectus dated 7 May 2021 (the "**Prospectus**").

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of Petra Diamonds Limited (the "**Company**").

Responsibilities

It is the responsibility of the directors of Petra Diamonds US$ Treasury Plc (the "**Directors**") to prepare the Pro Forma Financial Information in accordance with sections 1 and 2 of Annex 20 of Commission Delegated Regulation (EU) 2019/80 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Delegated Regulation**").

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of the Prospectus Delegated Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 6 of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

Basis of preparation

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how the Consensual Restructuring might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its interim consolidated financial statements for the six months ended 31 December 2020.

This report is required by section 3 of Annex 20 of the Prospectus Delegated Regulation and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council of the United Kingdom. We are independent in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Declaration

We are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 6 of the Prospectus Delegated Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART 14: CERTAIN INSOLVENCY LAW CONSIDERATIONS AND CERTAIN LIMITATIONS ON GUARANTEES

Set forth below is a brief description of limitations on the enforceability of the Guarantees and of certain insolvency law considerations in some of the jurisdictions in which the Guarantees are being provided. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes or the Guarantees. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. Proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization or of business activity of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to enforce rights and to collect payment in full under the Notes and the Guarantees. See "*Risk Factors—Risks Relating to the Notes and the Company's Structure*".

EU Insolvency Law

Certain Guarantors and providers of Collateral are organized or incorporated under the laws of EU Member States. Pursuant to EU Regulation on Insolvency Proceedings 2015 (Regulation (EU) 2015/848) (the "**EU Insolvency Regulation**"), the court that shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interests" is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views. The term "centre of main interests" is not a static concept. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "centre of main interests" in the EU Member State in which it has its registered office, Article 3 of the EU Insolvency Regulation states that the "centre of main interests" shall be the place where the debtor conducts the administration of its interests on a regular basis and which "is therefore ascertainable by third parties". In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the perception of the company's creditors as regards to the centre of the company's business operations may all be relevant in the determination of the place where the company has its "centre of main interests".

If the "centre of main interests" of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation with these proceedings being governed by the *lex fori concursus*, i.e., the local laws of the court opening such main insolvency proceedings. Insolvency proceedings opened in one EU Member State under the EU Insolvency Regulation are to be recognized automatically in the other EU Member States (other than Denmark). If the "centre of main interests" of a debtor is in one EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other EU Member State. If no such main insolvency proceedings are outstanding, the territorial proceedings could still be opened in another EU Member State (except Denmark) under certain circumstances as set forth in Article 3(4) of the EU Insolvency Regulation. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State. If the company does not have an establishment in any other EU Member State, no court of any other EU Member State has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation. In the event that any one or more of the Issuer, the Guarantors or any of their subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

United Kingdom

The Issuer and certain of the Guarantors and providers of Collateral are incorporated in, maintain their respective registered offices in and conduct their business and the administration of their interests on a regular basis in and from England and Wales (each a "**U.K. Obligor**"). On the basis of these factors, an English court would conclude that there is jurisdiction to open insolvency proceedings in England in respect of a U.K. Obligor. Any such insolvency proceedings would be regarded as centre of main interest or "COMI" proceedings within the meaning of Regulation (EU) 2015/848 as given effect in English law by the European Withdrawal Act 2018, as amended, and regulations under that Act.

Notwithstanding the U.K. Obligors' COMI is in the United Kingdom and insolvency proceedings may be opened in respect of them in England if relevant insolvency-related conditions are satisfied, this does not necessarily prevent other insolvency proceedings being opened in other states, depending upon whether the jurisdictional requirements in those states are satisfied.

Overview of U.K. insolvency proceedings

Liquidation

Priority of claims in U.K. proceeding

Upon liquidation of any U.K. Obligor, the order of priorities is such that debts due by it to any holders of fixed charges over the U.K. assets are paid first out of the realisation proceeds of assets subject to such fixed charges (net of the costs of preservation and realisation of the fixed charge assets). Where there are floating charges, liquidation expenses (discussed further below), preferential creditors, and unsecured creditors to the extent of the "prescribed part" ring-fenced fund (discussed further below) are paid out of the proceeds of realisation of assets subject to those floating charges in priority to payments to creditors secured by virtue of those floating charges. Thereafter, any debts owing to holders of the floating charges would be paid to the extent they are secured by that charge. The categories of preferential debts include certain amounts payable in respect of occupational pension schemes relating to contributions due but unpaid; employee remuneration up to a specified amount, and (as of December 1, 2020 and as a second-ranking preferential debt) certain withholding taxes. A certain part of the net proceeds of the realisation of the assets covered by a floating charge (up to a maximum of £600,000 where the first ranking floating charge was created before April 6, 2020, and £800,000 if created on or after that date) would be ring-fenced and made available pro rata to unsecured creditors. Unsecured debts which are not preferential debts would be paid from the proceeds of realisations of unsecured assets (if any) and, after the secured liabilities have been met, from the proceeds of realisation of relevant secured assets.

As discussed further below, certain of the security interests over U.K. assets expected to be created in favour of the Security SPV will be expressed as fixed charges, but there is no certainty that the security will take effect as a fixed charge and it may well be characterised, and take effect, as a floating charge. Where no security is provided to secure the obligations of a U.K. Obligor, any principal debt or guarantee obligation of that U.K. Obligor will be unsecured.

Liquidation Expenses

The Insolvency Act 1986 (the "**U.K. Insolvency Act**") broadly states that, in a liquidation of a company, where the assets available for payment of its general creditors (excluding any prescribed part ring-fenced for unsecured debts as described above) are not sufficient to meet the liquidation expenses, certain specified liquidation expenses can be claimed out of the realisation proceeds of assets comprised in or subject to a floating charge and, for these purposes, rank ahead of preferential debts and floating chargees' claims. In the case of litigation expenses, this is subject to rules restricting the application of this provision to certain litigation expenses approved by the floating chargee and any preferential creditors or the court. Consequently, realisations by secured creditors upon the enforcement of floating charges securing any principal or guarantee obligation to the Noteholders could potentially be reduced by the amount of any liquidation expenses. If any fixed security is validly created, any claims of creditors holding such fixed security would rank ahead of any such liquidation expenses. The creditors holding the security would though, pay the expenses of realising their security directly (from the sale proceeds of the relevant assets) to the liquidator or other person (such as a receiver or security trustee) who disposed of the secured assets on their behalf, rather than the expenses being paid from the assets available to the creditors of the U.K. Obligor as a whole.

Administration

Administration is an insolvency procedure under the U.K. Insolvency Act, pursuant to which a company may be reorganised or its business and assets realised under the protection of a statutory moratorium. A company may be put into administration either pursuant to a court order or via an out-of-court process. Broadly speaking (and subject to specific conditions), a company (the U.K. Obligor) can be placed into administration by the court at the application of, among others, the U.K. Obligor itself, its directors or one or more of its creditors (including contingent and prospective creditors). A holder of one or more qualifying floating charges over the whole or substantially the whole of the property of the U.K. Obligor also has the right to appoint an administrator using either the in-court or the out-of-court process, provided such floating charge is an enforceable 'qualifying floating charge' under the U.K. Insolvency Act. In addition, such a qualifying floating charge holder has the right to intervene in an application for administration proceedings by another person by nominating an alternative administrator or, in certain very specific circumstances, by blocking the appointment altogether by the appointment of an administrative receiver.

Broadly speaking, an interim moratorium comes into effect when an application for an administration order (in the case of court appointment) is made or a notice of intention to appoint an administrator (in the case of an out-of-court appointment) is filed, but (in each case) the appointment of the administrator has not yet taken effect. At the commencement of the appointment of an administrator, a full statutory moratorium applies. Pursuant to both an interim and full moratorium of a U.K. Obligor, (subject to a small number of specified exceptions) no creditor could take any action against that U.K. Obligor, including, among other things, commencing a legal process against the U.K. Obligor, taking steps to wind up the U.K. Obligor or enforcing security or repossessing goods in the U.K. Obligor's possession under a hire purchase or similar agreement, without the permission of the court or (in the case of a full moratorium) the consent of the administrator.

However, certain creditors of a company in administration may be able to realise their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a "security financial collateral arrangement" (generally, charges over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003.

Subject to the above points, if a U.K. Obligor were to enter administration, it is possible that the security granted by it may not be enforced by creditors while it is in administration. Similarly, whilst any principal debt or guarantee obligation owed by it would be accelerated or demanded, no meaningful enforcement action could be taken in respect of any failure to pay.

Expenses of the administration

Broadly speaking, expenses that qualify as expenses of the administration (and which include, among others, expenses properly incurred by the administrator in performing his functions in the administration and necessary disbursements incurred in the course of the administration) enjoy priority status, in a similar way to liquidation expenses (as described above), although the categories of expenses are slightly different. In particular, expenses of the administration can be claimed out of the realisation proceeds of assets subject to a floating charge and, for these purposes, rank ahead of preferential debts and floating chargees' claims. Administration can be used as a proceeding in which to make distributions to creditors like a liquidation, in which case, claims of creditors may be submitted to the administrator, although court approval generally will be required before he can make a distribution to unsecured creditors. Time limits may be set for receipt and processing of claims before interim dividends are paid.

Moratorium

Under the Corporate Insolvency and Governance Act 2020, a moratorium procedure is available to companies needing protection from creditors while they pursue a rescue plan, which could include rescue of the company as a going concern using a company voluntary arrangement, a scheme of arrangement or the new restructuring plan. The moratorium has an initial duration of 20 business days, which can be extended by the directors of the company for another 20 business days (either with or without creditor consent). Further extensions are possible with creditor consent (for up to a maximum of one year) or the consent of the court (for such period

as the court thinks fit).. During this period, the company benefits from a payment holiday in respect of most of its non-finance pre-moratorium debts, except for:

(a) the monitor's fees and expenses for the moratorium period;

(b) any goods and services supplied during the moratorium;

(c) rent payments for the moratorium period;

(d) wages and salaries;

(e) redundancy payments; and

(f) debts or other liabilities arising under a contract or other instrument involving financial services.

If any of the above pre-moratorium debts (as well as the company's moratorium debts) remain unpaid and the company goes into a subsequent procedure which begins before 12 weeks after the moratorium ends, such debts will have super-priority in the subsequent procedure.

During the moratorium, the company is also protected from legal or enforcement action by its creditors, and forfeiture proceedings by its landlords. Creditor safeguards are provided in the form of a monitor, who is a licensed insolvency practitioner. The monitor's role is to oversee the moratorium and, if necessary, bring it to a close if rescue of the company ceases to be likely.

Companies (including overseas companies with a sufficient connection to the UK) and LLPs are eligible to apply for the moratorium. However, there are some important financial services exclusions, including insurers, banks, investment banks, investment firms, parties to capital markets arrangements and other financial services related entities. Such entities are ineligible for the moratorium.

There are two qualifying conditions:

(a) a directors' statement needs to be made that the company is or is likely to become unable to pay its debts as they fall due; and

(b) the monitor must confirm that it is likely that the moratorium would result in the rescue of the company as a going concern.

Disposal of secured assets while subject to insolvency proceedings

If a company is the subject of a statutory moratorium as a result of either (i) entering administration or (ii) filing for moratorium proceedings, and either (x) the holder of fixed charge security created by that company (other than financial collateral as above described) consents or (y) if the Court gives leave, the relevant company or its administrator may dispose of the secured property as if it were not subject to the security. In addition, a company in moratorium proceedings or an administrator can dispose of assets subject to a floating charge as if they were not subject to the charge without seeking the consent of the charge holder or the leave of the Court, provided in the case of the company in moratorium proceedings, the disposal is in the ordinary course of business.

Where the property in question is subject to a security which was created as a floating charge, the charge will have the same priority in respect of any property of the company directly or indirectly representing the property disposed of as they would have had in respect of the property subject to the security. Where the security in question is other than a floating charge, it shall be a condition of the chargee’s consent or the leave of the Court that the net proceeds of the disposal shall be applied towards discharging the sums secured by the security.

Possible challenges to security interests

Reviewable transactions

Under English insolvency law, a liquidator or administrator of a company would have certain powers to apply to court to challenge transactions entered into by a U.K. Obligor if that U.K. Obligor is unable to pay its debts (as defined in the U.K. Insolvency Act) at the time of the transaction or becomes unable to pay its debts as a result of the transaction.

A transaction might be challenged as a transaction at an undervalue if it involved the U.K. Obligor making a gift or otherwise entering into a transaction on terms that it received no consideration, or the U.K. Obligor received significantly less value than under the transaction it gave in return. Where an undervalue transaction is proved, the court has powers to make any order it thinks fit in order to restore the position to what it would have been had the U.K. Obligor not entered into that transaction. A court will not intervene, however, if it is satisfied that the U.K. Obligor entered into the transaction in good faith and for the purposes of carrying on its business and if, at the time it did so, there were reasonable grounds for believing the transaction would benefit the U.K. Obligor. The court can set aside transactions at an undervalue entered into by the U.K. Obligor within a period of two years ending with the onset of its insolvency (as this date is more specifically defined in the U.K. Insolvency Act). In principle, both a Guarantee granted by a U.K. Obligor or any Collateral provided by it could be challenged as a transaction at an undervalue. If the transaction is with a person connected with the U.K. Obligor, then there is a rebuttable presumption that the U.K. Obligor was unable to pay its debts at the time of the transaction or became so as a result.

A transaction might be challenged as a preference where a U.K. Obligor has done something or suffered something to be done which has the effect of putting a creditor, surety or guarantor in a better position than the one that person would have been in in the event of the U.K. Obligor going into insolvent liquidation. A court will not intervene, however, if the U.K. Obligor, in deciding to give the preference, was not influenced by a desire to put this person in a better position in the event of insolvent liquidation. This desire to prefer is presumed where the preference is given to a person connected to the U.K. Obligor. Also, if the preference is given to a person connected to the U.K. Obligor (other than an employee), the court can go back two years from the date of the onset of insolvency. If the person is not connected to the U.K. Obligor, the court can only look back and set aside those preferences entered into in the period of six months ending on the onset of the U.K. Obligor’s insolvency.

Further, an administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by a U.K. Obligor up to three years before the day on which the U.K. Obligor entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, either the terms of it require (or required) grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravenes (or contravened) ordinary principles of fair dealing.

The U.K. Insolvency Act provides that, in certain circumstances, a floating charge granted by a company during the "relevant time" may be invalid in whole or in part if certain conditions are met, including where the floating charge was given in exchange only for prior consideration. In the case of a floating charge which is created in favour of a person that is not connected to a U.K. Obligor, the relevant time is deemed to be the period of 12 months ending with the onset of the U.K. Obligor’s insolvency, provided that, at the time the charge was granted, the U.K. Obligor was unable to pay its debts or became unable to pay its debts as a result of the transaction in respect of which the floating charge was granted. If the floating charge is created in favour of a person connected to the U.K. Obligor, the relevant look back time is a period of two years ending with the onset of insolvency and there is no requirement to prove that the U.K. Obligor was unable to pay its debts at the time the floating charge was created.

As a result of the rights described above to challenge transactions, in the event that a U.K. Obligor becomes unable to pay its debts within a period of up to three years of the issuance of the Notes, an administrator or liquidator is appointed and the conditions contemplated in the relevant legal provisions are met, the provision of the relevant Guarantees and Collateral may be challenged by a liquidator or administrator or a court may set aside the granting of the Guarantees and Collateral as invalid.

Recharacterisation of fixed security interests

There is a possibility that a court could find that the fixed security interests expressed to be created by the security documents governed by English law properly take effect as floating charges as the description given to them as fixed charges is not determinative. Whether the purported fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, among other things, on whether the secured party has the requisite degree of control over the U.K. Obligor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the holder of the security, in practice. Where a U.K. Obligor is free to deal with the assets that are the subject of a purported fixed charge in its discretion and without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

While recharacterisation is a risk for all attempts to create fixed security, it is a particular risk in relation to attempts to create fixed security over receivables. This is because even if a company purports to grant fixed security over its receivables, it will likely retain, in practice, the ability to deal with its receivables in its discretion and without the consent of the chargee.

If any fixed security interests are recharacterised as floating security interests, the claims of (i) any unsecured creditors of the relevant U.K. Obligor in respect of that prescribed part of the U.K. Obligor's net property which is ring-fenced (see explanation about the prescribed part and ring-fencing above); and (ii) certain statutorily defined preferential creditors of the U.K. Obligor will have priority over the rights of the Security SPV to the proceeds of enforcement of such security. In addition, as mentioned above, the expenses of a liquidation or administration would also rank ahead of the claims of the Security SPV as floating charge holder.

Limitation on enforcement

The grant of a Guarantee or Collateral by any of the U.K. Obligors in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that the above do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with a U.K. Obligor in good faith, however the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each U.K. Obligor in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote the success of the U.K. Obligor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

Equitable share charge

The fixed charges over shares granted by certain U.K. Obligors are equitable charges, not legal charges. An equitable charge arises where a chargor transfers the beneficial interest in the shares to the chargee but retains legal title to the shares. Remedies in relation to equitable charges may be subject to equitable considerations or are otherwise at the discretion of the court.

Account banks' right to set-off

With respect to the charges over cash deposits (each an "**Account Charge**") granted by a U.K. Obligor over any of its bank accounts, the banks with which some of those accounts are held (each an "**Account Bank**") may have reserved their right at any time (whether prior to or upon a crystallisation event under the Account Charge) to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangements with that U.K. Obligor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will be subject to the relevant Account Bank's netting and set-off rights with respect to the bank accounts charged under the relevant Account Charge. Once the floating charge has crystallised and converted into a fixed charge (as it would on enforcement or the occurrence of certain insolvency events with respect to the relevant U.K. Guarantor) the collateral will no longer be subject to the relevant Account Bank's netting and set-off rights,

since the Account Bank will only be entitled to exercise its netting and set-off rights whilst the bank accounts are subject only to floating security, except where account banks have expressly reserved set-off rights.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. An application to the court for an order to set aside the transaction may be made by (among others) an administrator, a liquidator and, subject to certain conditions, the U.K. Financial Conduct Authority and the U.K. Pensions Regulator. In addition, a victim of the transaction (being any person who is, or who is capable of being, prejudiced by it) may (with the leave of the court in the case of a company in administration or liquidation) also bring an application to set aside such transaction. The challenge must be made within 12 years (or in the case of claims for a sum of money, 6 years) from the date that the cause of action arose. The relevant company does not need to be insolvent at the time of the transaction, nor does it need to be in insolvency proceedings in order for a victim to bring the challenge. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not he is the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor in good faith, for value and without notice of the relevant circumstances and will not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

Bermuda

Insolvency

Insolvency proceedings brought in Bermuda relating to a Guarantor incorporated in Bermuda (a "**Bermuda Guarantor**") would be subject to Bermuda insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of other jurisdictions with which investors may be familiar. Investors should note that the process of making a claim as creditor upon the winding-up of any Bermuda Guarantor in Bermuda may be complex and time-consuming (the reasons for which a Bermuda Guarantor may in certain circumstances be wound-up are described in the following paragraph). Therefore, if a Bermuda Guarantor were to be wound-up in Bermuda, on an insolvent basis, there could be a period before any amounts are available for distribution to creditors.

In Bermuda there are two principal methods by which a company may be wound-up: namely, voluntary winding-up and compulsory winding-up by the court. A Bermuda Guarantor could be voluntarily wound-up (either on a solvent or insolvent basis) if it resolves to do so by a resolution of its shareholders. A Bermuda Guarantor could be compulsorily wound-up by an order of court pursuant to a petition presented by, among others: (i) such Bermuda Guarantor; (ii) a creditor (for instance, bank lenders); (iii) in certain circumstances, the regulators in Bermuda; or (iv) a shareholder of such Guarantor if it can show a tangible interest in a subsequent liquidation of such Guarantor and that it has held its shares (or some of them) and had them registered in its name for at least six months during the 18 months before the commencement of the winding-up, or the shares have been devolved on it through the death of a former holder. If a petition is presented, the court may order the winding-up of a Bermuda Guarantor if, among other things: (i) such Bermuda Guarantor has by resolution of shareholders (if solvent) or its board of directors (if insolvent) resolved that it be wound-up by the court; (ii) such Bermuda Guarantor is unable to pay its debts (as described below); or (iii) the court is of the opinion that it is just and equitable that such Bermuda Guarantor be wound-up. A common ground for a court to order a winding-up is that a company is unable to pay its debts. Under Bermuda law, a Bermuda Guarantor would be deemed unable to pay its debts if a creditor, by assignment or otherwise, to whom the Bermuda Guarantor is indebted in a sum exceeding US$500 then due has served on the Bermuda Guarantor at its registered office a demand requiring the Bermuda Guarantor to pay the sum due and the Bermuda Guarantor has for three weeks neglected to pay the sum or to secure or compound it to the reasonable satisfaction of the creditor; or (ii) if execution or other process issued at a judgment, decree or order of any

court in favor of a creditor of the Bermuda Guarantor is returned unsatisfied in whole or in part or (iii) if it is otherwise proved to the satisfaction of the court that such Bermuda Guarantor is unable to pay its debts and in determining whether such Bermuda Guarantor is unable to pay its debts, the court will take into account any contingent and prospective liabilities of such Bermuda Guarantor.

South Africa

Certain of the Guarantors are incorporated under the laws of South Africa (the "**South African Guarantors**"). In the event of the insolvency of any of the South African Guarantors, the claims of holders of Notes and the beneficiaries of the Guarantees would be subject to the insolvency and/or restructuring laws of South Africa. Specifically, under the MPRDA, when the holder of a mining right or a prospecting right is placed under final liquidation the holder's right in respect of such mining right or prospecting right will terminate automatically. The following is a brief description of certain aspects of insolvency and/or restructuring law in South Africa.

Any creditor, or the debtor company itself, may initiate insolvency proceedings in South Africa. Generally, a company will be considered to be insolvent if its liabilities exceed its assets and/or it cannot pay its debts as and when they become due (that is the company is commercially insolvent). After the initiation of liquidation proceedings, the debtor company must refrain from any actions that are not in the ordinary course of business and which would reduce its assets.

In term of the provisions of the Insolvency Act No. 24 1936 of South Africa (as amended) (the "**SA Insolvency Act**"), read together with the Companies Act No. 61 of 1973 (as amended) (the "**Old Act**") and item 9 of Schedule 5 of the Companies Act 71 of 2008 ("**Companies Act**") a court may set aside a disposition of property not made for value by a debtor. A court may set aside such a disposition if:

- the disposition was not made for value and was made more than two years before the date of liquidation, and it is proved that, immediately after the disposition was made, the liabilities of the debtor company exceeded its assets; or

- the disposition was not made for value and was made within two years of the date of liquidation, and the person who benefited by the disposition is unable to prove that, immediately after the disposition was made, the assets of the debtor company exceeded its liabilities.

In either case, if it is proved that "at any time after the making of the disposition" the liabilities of the debtor company exceeded its assets by an amount less than the "value of the property disposed of", the disposition may be set aside only to the extent of such excess

The SA Insolvency Act provides for the setting aside of a disposition of the debtor's property which is made not more than six months before the date of liquidation and had the effect of preferring one creditor over another, if immediately after the making of such disposition the liabilities of the debtor company exceeded the value of its assets. If the person in whose favor the disposition was made proves that the disposition was made in the ordinary course of business and that it was not intended thereby to prefer one creditor above another, then such disposition may not be set aside.

The SA Insolvency Act further provides that if a debtor company made a disposition of its property at a time when its liabilities exceeded its assets, with the intention of preferring one of its creditors above another, and its estate is thereafter liquidated, the court may set aside the disposition.

In addition, the SA Insolvency Act provides for the setting aside of all transactions where the debtor company intentionally colluded with another person (be it a creditor or any other person), disposed of property belonging to the debtor company in a manner which had the effect of prejudicing its creditors or of preferring one creditor over another, prior to insolvency.

Under South African common law, a disposition may be set aside under the actio Pauliana, even in the absence of insolvency, where the creditors of the company can prove that:

- the disposition diminished the assets of the company;

- the assets did not belong to the person who received the property from the debtor;

- the debtor company must have had the intention of defrauding its creditors but, if the company received value, then the recipient must have been aware of such an intention to defraud the company's creditors; and

- the fraud must have caused detrimental consequences for the company's creditors.

The SA Insolvency Act provides that if a company transfers any business belonging to it or the goodwill of such business or any goods or property forming part thereof (save in the ordinary course of that business or for the purpose of securing the payment of a debt) and such company has not published a notice of the intended transfer in the Government Gazette, and in two issues of an Afrikaans and two issues of an English newspaper circulating in the district in which that business is carried on, within a period of not less than thirty and not more than sixty days prior to the date of such transfer, the transfer shall be void as against the creditors of the seller for a period of six months after such transfer and, in addition, shall be void against the liquidator if the estate of the seller is liquidated within such time period.

There are three types of claims, and payment of a dividend will be paid in accordance with the status of a proved claim.

1. The first of these are secured claims, being claims in respect of which the creditor holds security over the property of the insolvent estate by virtue of a landlord's legal hypothec, a pledge, a right of retention or a special mortgage. A general notarial bond must be perfected in terms of a court order in order to afford the holder the status of a secured creditor. Secured creditors are paid from the proceeds of realising the secured property before the right to payment of any other creditor of the estate. If the proceeds of the encumbered property are insufficient to cover the secured creditor's claim, it has a concurrent claim for the balance from the free residue on the debtor's estate.

2. The second type of claims are statutory preferent claims which rank for payment out of the free residue (which will include also the net proceeds of the realization of property held in security which exceed the secured creditor's claim) before the claims of concurrent creditors. Insofar as statutory preferent claims are concerned, after the costs of liquidation, and the costs of realising the property, the free residue must be applied in payment of, firstly, the salary and wages and certain other amounts payable to or on behalf of former employees of the insolvent. If business rescue preceded the liquidation proceedings, then the costs of the business rescue proceedings and certain post commencement finance claims may rank ahead of the salary and wages and certain other amounts payable to or on behalf of former employees of the insolvent. After the employees have been paid from the free residue of the insolvent estate, certain statutory obligations will become payable, thereafter, taxes, and, followed by proved preferent claims arising from general notarial bonds not perfected prior to liquidation.

3. Concurrent creditors will be paid last out of the balance of the free residue of the free residue of the debtor's estate after any statutory preferent creditors have been paid. Concurrent creditors all rank equally. Should the free residue be insufficient to meet their claims, each receives an equal portion of its claim by way of a cash dividend.

The aforesaid notwithstanding, where there is a contribution payable into the insolvent estate, all creditors who have proved claims against the estate shall be liable to make good any deficiency: concurrent creditors each in proportion to the amount of his/her proved claim and the secured creditors each in proportion to the amount for which he would have ranked upon the surplus of the free residue, if there had been any. The liquidator must proceed forthwith to collect the contributions.

Insolvency Procedures and Reorganizations

The Companies Act has brought about significant changes to the corporate law of South Africa, including introducing a new regime of "business rescue" for financially distressed companies, which affect the rights of creditors. The South African Companies Act repealed the Old Act with the exception of the provisions that deal with the winding up and liquidation of insolvent companies (which will remain in effect until new insolvency legislation is enacted). The procedures available to wind-up or reorganize companies under South African law are:

- winding up;
- compromise with creditors; and
- business rescue.

Winding-up

The Old Act, and the South African Companies Act read together with the SA Insolvency Act govern the winding-up of companies in South Africa. Any creditor that has an unpaid claim of more than ZAR100 million or the debtor company itself may present an application for winding up to the court if the debtor company is deemed unable, or is actually unable to pay its debts as and when they become due and/or if its liabilities exceed its assets. A company is deemed unable to pay its debts in certain specified instances, such as the failure by a debtor company to pay a judgment debt.

After the court has issued a winding-up order, the Master of the High Court may appoint a provisional liquidator for the purpose of taking physical control or supervising the property and affairs of an insolvent company's estate until a final liquidator is appointed. However, immediately upon his receipt of the Court's order finally liquidating the estate or the filing of the special resolution, the Master of the High Court must convene a meeting for the purposes of considering the statement of the company's affairs, for the creditors to prove their claims against the company and for the appointment of the final liquidator.

Creditors with liquidated claims should seek to prove a claim against the debtor's insolvent estate, provided that no contribution will be payable A creditor without a liquidated claim would have to either institute or continue legal action, substituting the liquidator as a party in the litigation, or agree to a compromise of the claim.

A secured creditor may, with the permission in writing of the Master and before the second meeting of creditors, realize the secured property. All proceeds from such realization will have to be paid over to the Master or the liquidator, as the case may be, and such creditor will still be obliged to prove its claim.

As an alternative to realization of the secured property, the liquidator may, if authorized by the creditors, and if the secured creditor valued the security when the claim was proved, take over the secured property at the value placed thereon by the creditor when the secured claim was proved.

The liquidator may also continue to operate the debtor company's business in order to facilitate a sale of the debtor company or its assets as a going concern. A liquidator may arrange interim funding for the debtor company that is paid as part of the costs of the execution process, provided that the liquidator is reasonably confident the sale process will yield sufficient proceeds at relevant times to repay such funding. Typically, a liquidator will require indemnification from the creditors for the continuation of the debtor's business. The resolutions adopted at a second meeting of creditors ordinarily authorize the liquidator to act in a manner to realize the most for the benefit of the creditors of the insolvent estate. A liquidator's actions are subject to the approval of the creditors and ultimately the Master.

Compromise with creditors

A compulsory compromise of claims between the debtor company and its creditors (once approved by creditors as referred to below) is contemplated in section 155 of the South African Companies Act. A compromise with creditors under the South African Companies Act may be proposed by the board of directors or, if the company is being wound-up, by the liquidator but not under circumstances where the company is under business rescue proceedings. This differs from the position under section 311 of the Old Companies Act, which enabled a creditor or a shareholder, in addition to the board of directors or the liquidator, to propose a compromise with creditors. To become effective, the proposed compromise with creditors must be supported by a majority in number, representing at least 75% in value, of the creditors (or each relevant class of creditor) present and voting in person or by proxy, at a meeting called for that purpose.

In respect of a proposal or a compromise with creditors adopted in accordance with the provisions of section 155 of the South African Companies Act the company may apply to court for an order approving the proposal. A court may sanction the compromise as set out in such proposal if it considers it "just and equitable to do

so" having consideration to the facts (including the number of creditors present and voting) set out in the South African Companies Act.

A copy of an order of the court sanctioning a compromise must be filed by the company within five business days, and must be attached to each copy of the company's Memorandum of Incorporation that must generally be kept at the company's registered office. That court order will be final and binding on all of the company's creditors or all of members of the relevant class of creditors, as the case may be, as of the date on which it is filed.

An arrangement of compromise contemplated in section 155 of the South African Companies Act does not affect the liability of any person (whether natural or juristic) who is a surety of the company.

Business rescue

The South African Companies Act introduced the concept of "business rescue", a concept similar to, but not exactly the same as chapter 11 bankruptcy proceedings in the United States. Business rescue allows a company that is "financially distressed" (where it seems reasonably likely that the company will not be able to pay its debts as they become due and payable during the ensuing six months or it seems reasonably likely that the company will become insolvent in the ensuing six months) and which appears to have a "reasonable prospect" of rescue to avoid liquidation by implementing a business rescue plan.

Business rescue proceedings may be instituted by the board of directors of the company (by way of a board resolution to that effect) or on application to court by any affected person (a shareholder or creditor, registered trade union or employee), or by the court of its own accord at any time during the course of any liquidation proceedings or proceedings to enforce any security against the company.

After initiating business rescue proceedings, the board of directors must appoint a business rescue practitioner. The Companies and Intellectual Property Commission (the "**Commission**") must endorse the appointment of each business rescue practitioner. The company must publish a notice of the appointment of a practitioner to each affected person. If business rescue proceedings commenced by way of court order, then the appointment of an interim business rescue practitioner by the court will be subject to ratification by the holders of a majority of the independent creditors' voting interests at the first meeting of creditors. The business rescue practitioner will assume full management control of the company in substitution for its board and pre-existing management. However, the debtor company's directors are obliged to continue to exercise their functions, subject to the authority of the practitioner.

The practitioner, after consultation with the affected persons (creditors, shareholders, employees and trade unions) and the management of the company must prepare a business rescue plan for consideration and possible adoption at a meeting of creditors convened in accordance with the provisions of the South African Companies Act listing, among other things, all details of the plan envisaged to rescue the company. The business rescue plan must be approved by creditors and, if the plan alters the rights of the holders of the company's securities, such holders must also approve the proposed business rescue plan. If not approved, the appointed business rescue practitioner may be required to revise the plan alternatively if the plan is not adopted, the practitioner will be obliged to terminate the business rescue proceedings. Failure to implement an adopted plan also obliges a practitioner to terminate the business rescue.

If, during a company's business rescue proceedings, the company wishes to dispose of any property over which a person has any security or title interest, the company must obtain the prior consent of that other person, unless the proceeds of the disposal would be sufficient to fully discharge the indebtedness protected by that person's security or title interest.

The business rescue practitioner's powers have significant implications. During a company's business rescue proceedings, the business rescue practitioner is empowered to suspend entirely, partially or conditionally, any obligation of the company that arises under an agreement to which the company is a party (other than an employment contract or an agreement to which section 35A or 35B of the SA Insolvency Act applies) at the commencement of the business rescue period and which would otherwise become due during the business rescue proceedings. However, if the business rescue practitioner suspends the provisions of an agreement that relates to security granted by the company to a secured creditor, then that secured creditor's rights mentioned

above vis-à-vis the security remains unaffected. A practitioner may only cancel an obligation of the Company in business rescue with court approval.

During business rescue proceedings, a general moratorium is placed on legal proceedings against the company, and no legal action, including enforcement action, against the company, or in relation to property of the company, may be commenced except with, *inter alia*, the written approval of the practitioner or leave of court. Where a company's obligations are suspended or cancelled, the creditors cannot claim specific performance, but may have a damages claim against the company.

Once under business rescue, claims against the company will rank as follows:

1. Secured post-commencement finance claims and secured pre-commencement claims will be paid from or rolled up into the security they hold;

2. From the unsecured assets (a) the practitioner's remuneration and expenses; (b) amounts due and payable to employees during business rescue proceedings; (c) post-commencement financing which is unsecured (in the order of preference in which they were incurred); (e) unsecured financing incurred prior to the commencement of business rescue proceedings; (f) all other unsecured claims against the company; and (g) shareholder claims against the company.

The business rescue regime is a relatively new regime and significant interpretive questions and loopholes remain. Many of the important concepts remain untested and South African case law continues to evolve and develop to address these unanswered questions and practical difficulties that arise during business rescue proceedings.

Reckless trading

Under section 22 of the South African Companies Act, a company is prohibited from carrying on its business recklessly, with gross negligence, with intent to defraud any person or for any fraudulent purpose. The courts have, under the Old Companies Act, interpreted recklessness to include circumstances where a company incurs credit and trades under insolvent conditions. Directors who allow their companies to trade under such circumstances may, in terms of section 77(3)(b) of the Companies Act, be held personally liable for any loss or damages sustained by the company as a consequence of allowing the company to trade as such. The Commission may issue a notice to a company where the Commission has reasonable grounds to believe that the company is carrying on its business in contravention of section 22, or where the company is unable to pay its debts as they become due and payable in the normal course of business, to show cause why the company should be permitted to continue carrying on its business. If the company to whom the notice has been issued fails, within twenty business days, to satisfy the Commission that it is not engaging in reckless trading, the Commission is empowered to issue a compliance notice to the company requiring it to cease carrying on its business or trading.

Limitation on enforcement

The Financial Surveillance Department of the South African Reserve Bank's ("**SARB**") current policy is to "pre-approve" certain types of transactions, payments and transfers for exchange control purposes. The issuing of a guarantee or the granting of security over property by South African residents in favor of non-South African residents is a type of transaction that requires preapproval. Therefore, in order for a South African resident to issue a guarantee or provide security to a non-South African resident, the South African resident will be required to obtain the necessary approval from the SARB. The Company will need to receive prior approval from the SARB in respect of the South African Guarantors and the Security SPV providing a guarantee and security to the holders of the Notes and the Note Trustee. No further approval will be required for the repatriation of funds realized by the non-resident secured party subject to any other conditions set out in the SARB approval, such as providing notice to the SARB of the repatriation.

Jersey

Insolvency

Certain of the Guarantors are incorporated under the laws of Jersey. The following is a brief description of certain aspects of the insolvency laws of Jersey.

There are two principal regimes for corporate insolvency in Jersey: *désastre* and winding-up.

The principal type of insolvency procedure available to creditors under Jersey law is an application for an Act of the Royal Court of Jersey (the "**Royal Court**") under the Bankruptcy (Désastre) (Jersey) Law 1990, as amended (the "**Jersey Bankruptcy Law**") declaring the property of a debtor to be *en désastre* (a declaration). On a declaration of désastre, title and possession of the property of the debtor vest automatically in the Viscount, an official of the Royal Court (the "**Jersey Viscount**"). With effect from the date of declaration, an unsecured creditor has no remedy against the property or person of the debtor, and may not commence or continue any legal proceedings to recover the debt, but may prove in the désastre.

Additionally, the shareholders of a company (but not its creditors) can instigate a winding-up of an insolvent company which is known as a creditors' winding up pursuant to Chapter 4 of Part 21 of the Companies (Jersey) Law 1991, as amended (the "**Jersey Companies Law**"). On a creditors' winding up, a liquidator is appointed, and the creditors may determine who should be appointed. The liquidators will stand in the shoes of the directors and administer the winding up, gather in assets, settle claims and distribute assets as appropriate. After the commencement of the winding up, no action can be taken or continued against the company except with the leave of court. The corporate state and capacity of the company continues until the end of the winding up procedure, when the company is dissolved. The Jersey Companies Law requires a creditor of a company (subject to appeal) to be bound by an arrangement entered into by the company and its creditors immediately before or in the course of its winding up if, *inter alia* three quarters in number and value of the creditors acceded to the arrangement.

Administrators, receivers and statutory and non-statutory requests for assistance

The Insolvency Act 1986 (either as originally enacted or as amended, including by the provisions of the Enterprise Act 2002) does not apply in Jersey and receivers, administrative receivers and administrators are not part of the laws of Jersey. Accordingly, the Courts of Jersey may not recognize the powers of an administrator, administrative receiver or other receiver appointed in respect of Jersey situs assets.

However, under Article 49(1) of the Jersey Bankruptcy Law, the Jersey court may assist the courts of prescribed countries and territories in all matters relating to the insolvency of any person to the extent that the Jersey court thinks fit. These prescribed jurisdictions include the United Kingdom. Further, in doing so, the Royal Court may have regard to the United Nations Commission on International Trade Law ("**UNCITRAL**") model law, even though the model law has not been (and is unlikely to be) implemented as a separate law in Jersey.

If (i) a request comes from a prescribed country but not by a court of such country or (ii) from a non-prescribed country, then the application will be considered by the Royal Court by virtue of its inherent jurisdiction having regard to principles of comity. If insolvency proceedings are afoot in another jurisdiction in relation to the company, the nature and extent of the cooperation from Jersey is likely to depend on the nature of the requesting country's insolvency regime. If the requesting country adheres to principals of territoriality, as opposed to universality, and, for instance, ring-fences assets for local creditors, full cooperation is highly unlikely. If, however, the jurisdiction applies similar fundamental principles as Jersey, the Royal Court's approach is more likely to be similar to the position where prescribed countries are involved.

In the case of both statutory and non-statutory requests for assistance, it should not be assumed that the UNCITRAL provisions will automatically be followed. That is a matter for the discretion of the Royal Court. It would also be wrong to assume for European countries that the position will be in accordance with EU Council Regulation 1346/2000. Jersey does not form part of the European Community for the purposes of implementation of its directions. Accordingly, the EU Council Regulation 1346/2000 does not apply as a matter of Jersey domestic law and the automatic test of center of main interests does not apply as a result.

Transactions at an undervalue

Under Article 17 of the Jersey Bankruptcy Law and Article 176 of the Jersey Companies Law the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared *en désastre*) or liquidator (in the case of a creditors' winding up), set aside a transaction (including any guarantee or security interest) entered into by a company with any person (the "**other party**") at an undervalue. There is a five-year look-back period from the date of commencement of the winding up or declaration of *désastre* during which transactions are susceptible to examination pursuant to this rule (the "**relevant time**"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction at an undervalue, the determination of the relevant time and the effect of entering into such a transaction with a person connected with the company or with an associate of the company. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the Jersey Viscount or liquidator to demonstrate that the Jersey company was insolvent unless a beneficiary of the transaction was a connected person or associate of the Company, in which case there is a presumption of insolvency and the connected person must demonstrate the Jersey company was not insolvent when it entered the transaction in such proceedings.

Preference

Under Article 17A of the Jersey Bankruptcy Law and Article 176A of the Jersey Companies Law, the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared "**en désastre**") or liquidator (in the case of a creditors' winding up), set aside a preference (including any guarantee or security interest) given by the company to any person (the "**other party**"). There is a twelve-month look-back period from the date of commencement of the winding up or declaration of *désastre* during which transactions are susceptible to examination pursuant to this rule (the "**relevant time**"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a preference, the determination of the relevant time and the effect of entering into a preference with a person connected with the company or with an associate of the company. A transaction will constitute a preference if it has the effect of putting a creditor of the Jersey company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into an insolvent winding up) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into If the court determines that the transaction constituted such a preference, the court has very wide powers for restoring the position to what it would have been if that preference had not been given (although there is protection for a third-party who enters into one of the transactions in good faith and without notice). However, for the court to do so, it must be shown that in deciding to give the preference the Jersey company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the Jersey Viscount or liquidator to demonstrate that the Jersey company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that the company was not influenced by such a desire.

Extortionate credit transactions

Under Article 17C of the Jersey Bankruptcy Law and Article 179 of the Jersey Companies Law, the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared *en désastre*) or liquidator (in the case of a creditors' winding up), set aside a transaction providing credit to the debtor company which is or was extortionate. There is a three-year look-back period from the date of commencement of the winding up or declaration of *désastre* during which transactions are susceptible to examination pursuant to this rule (the "**relevant time**"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction which is extortionate.

Disclaimer of onerous property

Under Article 15 of the Jersey Bankruptcy Law, the Jersey Viscount may within six months following the date of the declaration of *désastre* and under Article 171 of the Jersey Companies Law, a liquidator may

within six months following the commencement of a creditors' winding up, disclaim any onerous property of the company. Onerous property is defined to include any moveable property, a contract lease or other immoveable property if it is situated outside of Jersey that is unsaleable or not readily saleable or is such that it might give rise to a liability to pay money or perform any other onerous act, and includes an unprofitable contract.

A disclaimer operates to determine, as of the date it is made, the "rights, interests and liabilities of the company in or in respect of the property disclaimed" but "shall not, except so far as is necessary for the purpose of releasing the company from liability, affect the rights or liabilities of any other person". A person sustaining loss or damage in consequence of a disclaimer is deemed to be a creditor of the company to the extent of the loss or damage and may prove for the same in the *désastre* or creditors' winding up. The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) in relation to the powers of the court in respect of disclaimed property.

Jersey guarantee limitations

The Indenture will provide that any right which at any time any guarantor incorporated under the laws of Jersey (a "**Jersey Guarantor**") has under the existing or future laws of Jersey whether by virtue of the *droit de discussion* or otherwise to require that recourse be had to the assets of any other person before any claim is enforced against such guarantor in respect of its obligations under the Indenture will be irrevocably and unconditionally abandoned and waived.

The Jersey Guarantor will undertake in the Indenture that if at any time any person indemnified or having the benefit of a guarantee under the Indenture sues such guarantor in respect of any such obligations and the person in respect of whose obligations the indemnity or guarantee is given is not sued also, such guarantor shall not claim that such person be made a party to the proceedings and the Jersey Guarantor will agree to be bound by its indemnity or guarantee whether or not it is made a party to legal proceedings for the recovery of the amount due or owing to the person indemnified or having the benefit of a guarantee, as aforesaid, by the person in respect of whose obligations the indemnity or guarantee is given and whether the formalities required by any law of Jersey whether existing or future in regard to the rights or obligations of sureties shall or shall not have been observed.

The Indenture will also provide that any right which the Jersey Guarantor may have under the existing or future laws of Jersey whether by virtue of the *droit de division* or otherwise to require that any liability under the Indenture be divided or apportioned with any other person or reduced in any manner whatsoever will be irrevocably and unconditionally abandoned and waived.

Belgium

Insolvency proceedings

To the extent any Guarantor is incorporated under the laws of Belgium (a "**Belgian Guarantor**"), and provided Belgium is the territory in which the center of such Belgian Guarantor's main interests is situated, main insolvency proceedings may be initiated in Belgium. This also applies to any debtor for which Belgium is the territory in which the center of such debtor's main interests is situated. Such proceedings would then be governed by Belgian law. Under certain circumstances, Belgian law also allows secondary insolvency proceedings to be opened in Belgium over the assets situated in Belgium of companies that are not established under Belgian law. The effects of those secondary insolvency proceedings are restricted to the assets situated in Belgium. The following is a brief description of certain aspects of Belgian insolvency law to the extent relevant in the context of the present transaction.

Belgian insolvency laws provide for two types of insolvency proceedings: judicial reorganization proceedings (*gerechtelijke reorganisatie/réorganization judiciaire*) and bankruptcy proceedings (*faillissement/faillite*). Belgian law also allows for liquidation in deficit (*deficitaire vereffening/liquidation déficitaire*). The latter proceedings will not be further discussed.

Judicial Reorganization

The judicial reorganization proceedings are regulated by Book XX (*Insolvency of Enterprises*) of the Belgian Code of Economic Law ("**Book XX of the Code of Economic Law**"). Book XX of the Code of Economic Law, which entered into force on May 1, 2018, abolished and replaced the former Act of January 31, 2009 on the Continuity of Enterprises (the "**Act on the Continuity of Enterprises**") as amended from time to time, including by the Act of May 27, 2013, and the former Bankruptcy Act of August 8, 1997.

Book XX of the Code of Economic Law provides for three types of reorganization: (i) an amicable settlement between the debtor and two or more of its creditors, (ii) a collective agreement, or (iii) the transfer of (part of) the activities. The type of reorganization may change during the proceedings and may also depend on the position of the court and/or third parties.

In the case of an amicable settlement, the parties to such amicable settlement will be bound by the terms they have agreed. In the case of a judicial reorganization by collective agreement, the creditors agree to a reorganization plan during the reorganization procedure.

Scope

Judicial reorganization proceedings are primarily available to all legal entities as well as all individuals that qualify as an enterprise (*entreprise/onderneming*) pursuant to Article I.1, 1° of the Code of Economic Law, subject to certain exceptions for regulated professions, credit institutions and certain other entities active on the financial and insurance markets.

Commencement of the Reorganization Proceedings

A debtor may file a petition for judicial reorganization if the continuity of the enterprise is at risk, whether immediately or in the future. The contents of this principle are broad and are defined in practice by the courts. If the net assets of the company are likely to become or have become negative, the continuity of the enterprise is always presumed to be at risk.

The court may accept a petition for judicial reorganization in other circumstances; for instance, if the activity of the company may be hampered or shut down by creditors. The fact that the conditions for bankruptcy are met (entailing that the debtor has the legal obligation to declare bankruptcy pursuant to Article XX.102 of Book XX of the Code of Economic Law), does not preclude the debtor from applying for judicial reorganization. The petition for judicial reorganization must indicate the measures and proposals that will be taken or made by the debtor to carry out the reorganization. A number of documents must also be attached to the petition, including, but not limited to, an interim balance sheet and income statement, prepared under the supervision of an auditor, an external expert accountant or a certified tax accountant.

As from the filing of the petition and as long as the court overseeing a judicial reorganization has not issued a ruling on the reorganization petition, the debtor cannot be declared bankrupt or wound up by court order. In addition, during the period between the filing of the petition and the court's decision, subject to certain exceptions, none of the debtor's assets may be disposed of by any of its creditors as a result of the enforcement of any security interests that such creditors may hold with respect to such assets, unless (in the case of movable assets) the scheduled date for the forced sale of the relevant movable assets falls within two months from the filing of the request for judicial reorganization and such forced sale is not suspended by the court. The filing of the petition does not, however, have a suspensory effect if the debtor had previously already requested the opening of judicial reorganization proceedings (this is less than six months before), except if the court decides otherwise.

Book XX of the Code of Economic Law provides that, within a period of 15 days as from the filing of the petition, the court will hear the debtor and/or their lawyer on the petition for reorganization and will hear the report from the delegated judge. After this hearing, the court will rule within eight days on the petition for judicial reorganization. If the conditions for judicial reorganization appear to be met, and all required documents have been provided, the court will declare that the judicial reorganization proceedings are open, allowing a temporary moratorium for a maximum period of six months. At the request of the debtor and pursuant to the report issued by the delegated judge, the moratorium period can thereafter be extended (once or several times), but cannot exceed twelve months in total (or, in exceptional circumstances, such as due to the size of the business, the complexity of the case or the impact of the procedure on employment, and in the interest of the creditors, eighteen months).

Moratorium

The moratorium will operate as a stay of enforcement. No enforcement measures with respect to pre-existing claims in the moratorium can be continued or initiated against the debtor's assets from the time that the moratorium is granted until the end of the period, subject to certain exceptions (see below), and, except for forced sales, the scheduled date that falls within two months from the filing of the request for judicial reorganization provided that this has not been suspended by the court. During the moratorium, the debtor can also not be declared bankrupt (except upon declaration of the debtor itself) and, if the debtor is a legal entity, judicial dissolution will not be possible during this period.

Conservatory attachments/seizures that existed prior to the opening of the judicial reorganization retain their conservatory character, but the court may order their release, provided that such release does not have a material adverse effect on the situation of the creditor concerned.

If receivables are pledged by the debtor in favor of a creditor prior to the opening of the judicial reorganization proceedings, such pledge will not be affected by the moratorium, provided that the receivables are pledged specifically to that creditor from the moment when the pledge is created; hence the holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (such as the debtor's customers) during the moratorium. Receivables that form part of a pledge over business assets do not benefit from such exemption. A pledge on financial instruments within the meaning of the Financial Collateral Law of December 15, 2004 (*Wet Financiële Zekerheden*/*Loi sur les Sûretés Financières*) (the "**Belgian Law on Financial Collateral**"), such as shares in the Belgian Guarantors, can be enforced notwithstanding the enforcement prohibition imposed by the moratorium (unless considered an abuse of right). In the case of a pledge on cash held on accounts, the enforcement prohibition applies, save in the event of payment default or if certain other conditions are met. Personal guarantees granted by third parties in favor of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium, to the extent such payment is necessary for the continuity of the enterprise.

During the judicial reorganization proceedings, the board of directors and management of the debtor continue to exercise their management functions, albeit under the limited supervision of the court. However, upon request of the debtor, the court may appoint a company mediator (*ondernemingsbemiddelaar/médiateur d'entreprise*) to the extent it is deemed useful for reaching the aims of the restructuring. Furthermore, the court may appoint, in its decision to open the judicial reorganization proceedings or at any other point in time during the course of the procedure, a judicial administrator (*gerechtsmandataris/mandataire de justice*) to assist the debtor during the restructuring. The court may also appoint a judicial administrator, upon request of any interested party or the public prosecutor, in the event of manifestly grave shortcomings or bad faith of the debtor or any of its corporate bodies, to either exercise particular tasks indicated by the court or to replace the debtor or any of its corporate bodies insofar as such measure can safeguard the continuity of the debtor for the duration of the moratorium. In addition, in the event of manifestly gross error (*kennelijk grove fout*/*faute grave et caractérisée*), the court may, upon the request of any interested party or the prosecutor, appoint a temporary administrator (*voorlopig bewindvoerder*/*administrateur provisoire*) replacing the debtor's corporate bodies for the duration of the moratorium and charged with the management of the debtor. Furthermore, upon the request of any interested party or upon its own initiative, the court may decide that the company loses all or part of the management or all or part of its assets or activities in case of important, precise and consistent indications (*gewichtige, bepaalde en met elkaar overeenstemmende aanwijzingen*/*indices graves, précis et concordants*) that the conditions for bankruptcy are met.

The reorganization proceedings aim to preserve the continuity of a company as a going concern. Consequently, the initiation of the judicial reorganization procedure does not terminate any contracts.

Since the Act of May 27, 2013, modifying the former 2009 Act on the Continuity of Enterprises (which has in the meantime been replaced by Title V of Book XX of the Code of Economic Law) the delegated judge, appointed to assist the debtor in the realization of the reorganization, has additional powers and can for instance require the court to end the reorganization prematurely when they consider that the debtor is clearly not in state to ensure the continuity of the whole or part of their business.

Contractual provisions that provide for the early termination or the acceleration of the contract upon the initiation or approval of a reorganization procedure, and certain contractual terms such as default interest,

may not be enforceable during such a procedure. Moreover, Title V of Book XX of the Code of Economic Law provides that a creditor may not terminate a contract on the basis of a debtor's default that occurred prior to the reorganization procedure if the debtor remedies such default within a 15-day period following the notification of such default.

As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the reorganization proceedings, provided that the debtor notifies the creditor and the decision is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the company or its assets. In this case, the relevant creditor has the right to suspend the performance of its own obligations. The creditor can however not terminate the agreement solely on the ground that the debtor has suspended the performance of its own obligations.

Judicial reorganization proceedings may result in an amicable settlement between the debtor and two or more of its creditors, a collective agreement or a transfer of (part of) its activities. The type of reorganization may change during the proceedings and may also depend on the position of the court and all parties involved.

Reorganization plan

In the case of a judicial reorganization by collective agreement the debtor must, within a period of eight days following the ruling declaring the judicial reorganization proceedings open, inform each of its creditors individually of the amount of their claims against the debtor as recorded in the books of the debtor, as well as of the capacity of the creditor as extraordinary creditor and of details regarding security interests, if applicable. Creditors with pre-existing claims, as well as any other interested party that claims to be a creditor, can challenge the amounts and the ranking of the secured claims declared by the debtor. The court can determine the disputed amounts and the ranking of such claims on a preliminary basis for the purpose of the reorganization procedure or definitively, on the condition that it has jurisdiction in that respect but that the decision relating to the dispute cannot be taken in a sufficiently short time frame. In addition, the court can at any moment, in the case of absolute necessity and upon request by the debtor or the creditor its decision determining the amount or the ranking of the claim on the basis of new information. If a creditor has not challenged the amount and the ranking of its claim at least one month in advance of the date on which the creditors will vote on the approval of the reorganization plan, the amount of its claim will remain unchanged for voting purposes as well as for the purposes of the reorganization plan.

The debtor must use the moratorium period to complete and finalize a reorganization plan, with the assistance of the court-appointed judicial administrator or company mediator (*ondernemingsbemiddelaar/médiateur d'entreprise*), as the case may be. The plan may include measures, such as the reduction or rescheduling of liabilities and interest obligations and the swap of debt into equity, and may be based on a limited (justified) differentiated treatment for certain various categories of liabilities.

The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations and the swap of debt into equity (Book XX of the Code of Economic Law contains certain limitations, primarily in view of protecting employees of the debtor) and may be based on a differentiated treatment of certain various categories of liabilities. It must be filed with the electronic registry managed by the Belgian bar association (www.regsol.be) at least 20 days in advance of the date on which the creditors will vote on the approval of the reorganization plan. The court needs to ratify the reorganization plan prior to it taking effect. A reorganization plan approved by a double majority of the creditors (both in headcount and in value of the claims) and by the court will bind all creditors, including those who voted against it or did not vote. The reorganization plan can bind creditors who have a contractual lien over specific assets, pledgees, mortgagees and the so-called creditor-owners, provided that (i) interest is paid on the principal amount of their outstanding debts, and (ii) their rights are not suspended for more than 24 months as of the ratification of the collective agreement by the court. Subject to certain conditions, this period of 24 months may be extended by another twelve months. No other measures can be imposed on such creditors without their individual agreement. The court may refuse ratification if the conditions of the judicial reorganization proceeding were not met or if the proposed reorganization plan violates public policy.

Out-of-Court Settlement

Instead of entering into formal reorganization proceedings as provided by Book XX of the Code of Economic Law, the debtor can opt for an amicable settlement by drawing up an agreement and joint payment scheme plan with at least two creditors in order to settle its debts. If an agreement is reached for reorganization

purposes, it is submitted to the court and entered into a register. Such an amicable settlement will remain enforceable in the event of a later bankruptcy, subject to certain exceptions.

Transfer of (all or part of) activities

The court-ordered transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It can be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances. The price of the transferred assets should at least be equal to the liquidation value. In the case of comparable offers, priority will be given to the offer guaranteeing employment by way of a social agreement.

The court-ordered transfer will be organized by a judicial administrator appointed by the court. Following the transfer, the recourse of the creditors will be limited to the transfer price.

In the case of a court-ordered transfer, co-contractors of on-going agreements can be forced to continue to perform the agreement without their consent after the transfer (except in case of *intuitu personae* agreements), provided historical debts under such agreement are paid.

Bankruptcy

The Belgian bankruptcy procedure is governed by Title VI Book XX of the Code of Economic Law (which has replaced the former Bankruptcy Act of August 8, 1997, since May 1, 2018).

Bankruptcy proceedings may be initiated by the debtor, by unpaid creditors, upon the initiative of the public prosecutor's office, by the provisional administrator of the debtor's assets (if there are strong indications that the conditions for bankruptcy are met), by the liquidator of the debtor's assets or by the liquidator of "main insolvency proceedings" opened in another EU Member State (other than Denmark) in accordance with the EU Insolvency Regulation. Once the court ascertains that the requirements for bankruptcy are met, the court will establish a date by which all creditors' claims must be submitted to the court for verification.

Bankruptcy proceedings may be opened in respect of any "enterprise" as defined by Article I.1, 1^0 of the Code of Economic Law (which includes, among others, any legal person, other than certain public law entities). Conditions for a bankruptcy order (*faillietverklaring/déclaration de faillite*) are that the debtor must be in a situation of sustained cessation of payments (*op duurzame wijze opgehouden hebben te betalen/cessation de paiements de manière persistante*) and be unable to obtain further credit (*wiens krediet geschokt is/ébranlement de crédit*). Cessation of payments is generally accepted to mean that the debtor is not able to pay its debts as they fall due. Such situation must be persistent and not merely temporary. The mere fact that a debtor has more debts than assets does not necessarily mean that the bankruptcy conditions are met. Companies whose liquidation has been started can be declared bankrupt up to six months after the judgments of the closing of the liquidation. In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the bankruptcy receiver. Creditors may oppose the sale of assets by bringing an action before the court, or may request the temporary continued operation of the business.

The bankruptcy receiver must decide whether or not to continue performance of ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may decide not to continue the performance of one or several ongoing contracts, subject to certain limitations, according to case law. The counterparty to an ongoing contract may summon the bankruptcy receiver to take a decision within 15 days. If no extension of the 15-day term is agreed upon or if the bankruptcy receiver does not make any decision, the ongoing contract is presumed to be terminated after the expiration of the 15-day term. If the bankruptcy receiver decides not to continue the performance of an ongoing contract or if an ongoing contract is terminated due to the expiration of the 15-day term, the counterparty to the contract may make a claim for damages in the bankruptcy, in which case such claim will rank *pari passu* with the claims of all other unsecured creditors, and/or seek a court order to have the relevant contract dissolved. The counterparty may not seek injunctive relief or require specific performance of the contract.

The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. Two exceptions apply, however:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae contracts* (i.e., contracts whereby the identity of the counterparty constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can however agree to continue to perform under such contracts.

As a general rule, the enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy proceedings, and after such order is made, only the bankruptcy receiver may proceed against the debtor and liquidate its assets. However, such suspension does in principle not apply to a pledge on financial instruments or cash held on account falling within the scope of the Belgian Law on Financial Collateral. Further exceptions exist with regard to estate credits (*boedelschulden*/*dettes de la masse*). For creditors whose claims are secured by movable assets (other than financial collateral), such suspension would normally be limited to the period required for the verification of the claims. At the request of the bankruptcy receiver, the suspension period may be extended by a court order for up to one year as from the bankruptcy judgment, provided that such extension is in the interests of the bankruptcy estate and if the further suspension will allow for a realization of the assets in the interest of all creditors without prejudice to the secured creditors and provided that those secured creditors have been given the opportunity to be heard by the court. However, a pledge on financial instruments or cash held on accounts can be enforced during the suspension period.

If a security, such as a pledge, has been granted over assets that, at the time of opening of an insolvency proceeding, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the EU Insolvency Regulation, not be affected by the opening of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax debts or social security debts.

The ranking of different types of debt of the bankrupt debtor is determined on the basis of a complex set of rules. The following is a general overview of only the main principles:

- *Estate debt:* Costs and indebtedness incurred by the bankruptcy receiver during the bankruptcy proceedings, the "estate debts," which have a senior priority. In addition, if the bankruptcy receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the bankruptcy receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors. Tax and social security claims incurred during the judicial reorganization proceedings will be preferential debts of the estate in a subsequent liquidation or bankruptcy.
- *Security interests:* Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization).
- *Privileges/liens:* Creditors may have a particular privilege on certain or all assets (such as tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor. Certain privileges prevail over the security interests.
- *Unsecured creditors* (*pari passu*): Once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the bankruptcy receiver among the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated).
- Subordinated creditors will receive the remainder (if any).

Subsidiary guarantee/collateral

The grant of a guarantee or collateral by a Belgian Guarantor for the obligations of another group company must fall within the grantor’s corporate object and corporate purpose and be for the own corporate benefit of the granting company and comply with any applicable financial assistance rules. Corporate benefit is not a

well-defined concept under Belgian law and its interpretation is left to the courts and legal authors. The corporate benefit rules and their application in the context of granting guarantees or collateral for the benefit of a group company are not clearly established under Belgian law and there is only limited case law on this issue.

If the granting of a guarantee or the creation of a security interest does not fall within the grantor's corporate object or purpose, then such guarantee or security interest could, upon certain conditions, be held null and void. The assessment of whether or not the grant of a guarantee or security interest is in a Belgian company's corporate benefit is largely dependent on factual considerations and is to be determined on a case-by-case basis by the (board of) directors of that Belgian company at the time of the granting of the guarantee or security interest(s), and can be reviewed on a case-by-case basis at the time of the enforcement by the competent courts. Consideration has to be given to any actual or real benefit (be it direct or indirect) that the company would actually derive from the transaction; this is particularly relevant for upstream or cross-stream guarantees and security interests. Among others, it is generally considered by legal scholars that at least the following principles apply to such evaluation: (i) the risk taken by the Belgian Guarantor in issuing the guarantee must be proportional to the direct and/or indirect benefit derived from the transaction; and (ii) the financial assistance granted by the Belgian Guarantor should not exceed its financial capabilities. The responsibility for such assessment is of the (board of) directors of the Belgian Guarantor. The corporate benefit justification by the company's management will be subject to only a "marginal review" by the courts. In insolvency situations, however, the courts can be expected to take a more critical view.

If the corporate benefit requirement is not met, the (board of) directors of the company may be held liable under civil law (i) by the company for negligence in the management of the company and (ii) by third parties in tort and under criminal law in certain specific circumstances (i.e., where the specific facts can be qualified as "abuse of company goods" (*misbruik van vennootschapsgoederen*/*abus de bien sociaux*)). Moreover, the guarantee or collateral could be declared null and void and, under certain circumstances, the creditor that benefits from the guarantee or collateral could be held liable on the basis of the principles of tort liability. Alternatively, the guarantee or collateral could be reduced to an amount corresponding to the corporate benefit and, under certain circumstances, the creditor may be held liable for any guarantee amount in excess of such amount. These rules have been seldom tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee and collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain "*limitation language*" in relation to subsidiaries incorporated or established in Belgium. Accordingly, the Indenture and the security documents (if relevant) will contain such limitation language and the Guarantee of the Belgian Guarantor(s) and the security will be so limited. Including such limitation language is, however, not conclusive in determining or upholding the corporate benefit.

In particular, pursuant to such limitation language, the obligations of Petra Diamonds Belgium BV under the Guarantee or under the Counter-Indemnity Agreement shall be limited, at any time, to a maximum amount equal to:

(i) Petra Diamonds Belgium BV's Indirect Borrowings at the Demand Date; plus

(ii) 90% of the higher of Petra Diamonds Belgium BV's net asset value ("*netto actief*"/"*actif net*") as at (I) the date of the First Lien Amendment Agreement and (II) the date of its latest audited balance sheet published before the Demand Date.

Which limitation shall not apply to the extent that Petra Diamonds Belgium BV's obligations relate to Petra Diamonds Belgium BV's Subsidiaries' Borrowings or any other liabilities of Petra Diamonds Belgium BV's subsidiaries under the financing documents.

Whereby:

"**Net Asset Value"** has the meaning given to it in Article 5:142 of the Belgian Code of Companies and Associations.

A reference to "**Subsidiaries' Borrowings**" will be construed as a reference to all utilizations of the facilities by the subsidiaries of the Petra Diamonds Belgium BV.

A reference to "**Indirect Borrowings**" means the amount of utilizations drawn by a particular borrower under a financing document to the extent on-lent or otherwise made available to the Petra Diamonds Belgium BV plus any accrued and unpaid interest, costs and fees in respect of or attributable to that on-lending; and

"**Demand Date**" means the first date upon which a lender makes written demand upon Petra Diamonds Belgium BV to make payment under the Guarantee or the Counter-Indemnity Agreement.

Financial assistance

Any guarantee or security interest granted by a Belgian Guarantor which constitutes a breach of the provisions on financial assistance as defined by article 5:152 and 7:227 of the Belgian Code of Companies and Associations, as applicable, will not be enforceable.

Security Trustee and Parallel debt

A "trust" concept does not exist in Belgian law. Pursuant to Belgian law, security is an "accessory" which must be granted to the same person to whom the secured debt is owed, except in case of financial collateral within the meaning of the Belgian Law on Financial Collateral.

Belgian pledges over financial collateral (such as the shares of the Belgian Guarantors or bank accounts) may be granted to the security agent acting for itself and for the account of the secured parties pursuant to Article 5 of the Belgian Law on Financial Collateral, respectively. These provisions allow for the creation of security over financial collateral held by an agent acting as representative for secured parties, provided that the secured parties are determinable on the basis of the security agreement.

Hardening period and fraudulent transfer

In the event of bankruptcy proceedings governed by Belgian law, the insolvency receiver may challenge certain transactions that have been concluded or performed by the debtor during the "hardening period" (*verdachte periode*/*période suspecte*).

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in the case where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period".

The transactions entered into or performed during the hardening period which may be declared ineffective against third parties and are unenforceable against the bankruptcy receiver include, among others: (i) gratuitous transactions or transactions entered into without consideration or where the consideration received is considerably below the value of the act or asset provided by the debtor; (ii) payments for debts that are not yet due; (iii) payments other than in cash for debts due; and (iv) new security provided for pre-existing debts (save for any security granted during the suspension period of judicial reorganization proceedings in respect of debts arising before the opening of the proceedings or under or in connection with an out-of-court settlement with creditors entered into as part of the proceedings).

Other transactions entered into or performed during the hardening period may be declared ineffective against third parties, provided that the counterparty was aware of the debtor's cessation of payment.

In particular, a guarantee entered into during the hardening period may be declared ineffective against third parties (i) if it is regarded as having been granted gratuitously or where the consideration received is considerably below the value of the guarantee provided or (ii) if the beneficiaries of the guarantee were aware of the company's cessation of payments or (iii) if it is granted to secure pre-existing debts.

If the Guarantee given by the Belgian Guarantor was successfully voided (based on the above), holders of the Notes would cease to have any claim in respect thereof and would be under an obligation to repay any amounts received pursuant to such Guarantee.

Furthermore, even in the absence of bankruptcy proceedings, a third-party creditor may obtain a court ruling that an act or transaction (such as a guarantee) is not enforceable against it if it can establish that the challenged act or transaction was effected with the fraudulent intent to adversely affect its position as an existing creditor (*actio pauliana*).

Regardless of fraudulent intent, registration of a security interest after cessation of payments can also be declared ineffective against third parties, when more than 15 days have passed in between the date of the deed and the date of registration.

Recognition and Enforcement

The granting of a guarantee or security interest may be subject to validity and/or enforceability conditions. The breach of any of such conditions may render such guarantee or security interest invalid or unenforceable. The foreclosure of a guarantee or security interest may be subject to formalities (e.g. judicial or non-judicial consent) and may be time consuming in the event that the foreclosure takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a security interest and/or guarantee upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the security interest and/or guarantee. Enforcement of security interests and/or guarantees may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of English documents which they may review.

PART 15: SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a public limited company organized under the laws of England and Wales and the Guarantors of the Notes are incorporated in Bermuda, South Africa, England and Wales, The Netherlands, Belgium and Jersey. All of their directors and executive officers are non-residents of the U.S. and all of the Issuer's and Guarantors' assets and those of such persons are located outside the U.S. Although the Issuer will appoint an agent for service of process in the U.S. and will submit to the jurisdiction of New York courts, in each case, in connection with any action under U.S. securities laws, Noteholders may not be able to effect service of process on such persons or the Issuer or the Guarantors within the U.S. in any action, including actions predicated on civil liability provisions of the U.S. federal and state securities laws or other laws.

England and Wales

The following is a discussion with respect to the enforceability of certain U.S. court judgments in England and Wales and is based upon advice provided to the Issuer by its English counsel. The United States and the United Kingdom do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and the United Kingdom are both parties to the New York Convention on Arbitral Awards). Any judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not be directly enforceable in England and Wales. In order to enforce any such judgment in England and Wales, proceedings must be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. In this type of action, an English court generally will not (subject to the matters identified below) reinvestigate the merits of the original matter decided by a U.S. court if:

- the relevant U.S. court had jurisdiction (under English rules of private international law) to give the judgment and;
- the judgment is final and conclusive on the merits and is for a definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or otherwise based on a U.S. law that an English court considers to be a penal, revenue or other public law).

An English court may refuse to enforce such a judgment, however, if it is established that:

- the enforcement of such judgment would contravene public policy or statute in England and Wales (including, for the avoidance of doubt, the European Convention of Human Rights);
- the enforcement of the judgment is prohibited by statute (including, without limitation, if the amount of the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained);
- the English proceedings were not commenced within the relevant limitation period;
- before the date on which the U.S. court gave judgment, the issues in question had been the subject of a final judgment of an English court or of a court of another jurisdiction whose judgment is enforceable in England;
- the judgment has been obtained by fraud or in proceedings in which the principles of natural justice were breached;
- the bringing of proceedings in the relevant U.S. court was contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in that court (to whose jurisdiction the judgment debtor did not submit); or
- an order has been made and remains effective under section 9 of the U.K. Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to U.S. courts including the relevant U.S. court.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the court discretion to prescribe the manner of enforcement. In addition, it may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters obtained from U.S. federal or state courts in the manner described above using the methods available for enforcement of a judgment of an English court.

It is, however, uncertain whether an English court would impose liability on the Issuer, the Company or other persons in an action predicated upon the U.S. federal securities law brought in England and Wales.

Bermuda

A final and conclusive in personam judgment of a competent U.S. Court against the Company under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature, in respect of a fine or other penalty, or in respect of multiple damages) would be recognized as a valid judgment in Bermuda and a Bermuda Court would give judgment thereon provided that (i) the U.S. Court had proper jurisdiction over the parties subject to such judgment; (ii) the U.S. Courts did not contravene the rules of natural justice in Bermuda; (iii) such judgment was not obtained by fraud; (iv) the enforcement of the judgment would not be contrary to the public policy of Bermuda; (v) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of Bermuda; and (vi) there is due compliance with the correct procedures under the laws of Bermuda.

Enforcement of such a judgment against assets in Bermuda may involve the conversion of the judgment debt into Bermuda dollars, but the Bermuda Monetary Authority has indicated that its present policy is to give the consents necessary to enable recovery in the currency of the obligation. No stamp duty or similar or other tax is payable in Bermuda on the enforcement of a foreign judgment. Court fees will be payable in connection with proceedings for enforcement.

An act which results in the Company or its directors or officers being in breach of the civil liability provisions of U.S. law would not, by virtue of the breach of U.S. law, be actionable before a court in Bermuda, although such act may potentially give rise to a cause of action under the local laws of Bermuda.

South Africa

The following is a discussion with respect to the enforceability of certain U.S. court judgments in South Africa and is based upon advice provided to the Issuer by its South African counsel.

Choice of Law

In any proceedings for the enforcement of the obligations of any South African party, the South African courts will generally give effect to the choice of foreign law as contemplated in the Notes as the governing law thereof.

Jurisdiction

Any party's (i) irrevocable submission under the Indenture to the jurisdiction of a New York court; and (ii) agreement not to claim any immunity to which it or its assets may be entitled, is generally legal, valid, binding and enforceable under the laws of South Africa, and any judgment obtained in the foreign jurisdiction will be recognized and be enforceable by the courts of South Africa without the need for re-examination of the merits. The appointment by any party of an agent in a New York court to accept service of process in respect of the jurisdiction of the New York courts is generally valid and binding on that party.

Under South African law, a court will not accept a complete ouster of jurisdiction, although generally it recognizes party autonomy and gives effect to choice of law and choice of jurisdiction provisions. However, jurisdiction remains within the discretion of the court and a court may, in certain instances, assume jurisdiction provided there are sufficient jurisdictional connecting factors. South African courts may, in rare instances,

choose not to give effect to a choice of jurisdiction clause, if, for example, such choice is contrary to public policy. Proceedings before a court of South Africa may be stayed if the subject of the proceedings is concurrently before any other court.

Recognition of foreign judgments

The consent of the South African Minister of Trade and Industry may in certain circumstances specifically be required in respect of judgments, orders, directors or arbitration awards given outside of South Africa in connection with, *inter alios*, mining activities or the use or sale of ownership of any matter or material.

Subject to obtaining the permission of the South African Minister of Trade and Industry under the South African Protection of Businesses Act No. 99 of 1978 (the "**SA PB Act**"), if required, an authenticated judgment obtained in a competent court of jurisdiction other than South Africa will be recognized and enforced in accordance with procedures ordinarily applicable under South African law for the enforcement of foreign judgments, namely a provisional sentence summons, application or action claiming enforcement of the foreign judgment; provided that the judgment was pronounced by a proper court of law, was final and conclusive (in the case of a judgment for money, on the face of it), has not become stale, and has not been obtained by fraud or in any manner opposed to natural justice or contrary to the international principles of due process and procedural fairness, the enforcement thereof is not contrary to South African public policy and the foreign court in question had jurisdiction and competence according to the applicable South African rules on international competence. South African courts will not enforce foreign revenue or penal laws (such as fines or governmental levy (distinct from private judgments)) and South African courts have, as a matter of public policy, generally not enforced awards for multiple or punitive damages. Permission from the Minister of Trade and Industry will similarly not be granted if it would result in the recovery of punitive damages.

Where obligations are to be performed in a jurisdiction outside South Africa they may not be enforceable under the laws of South Africa to the extent that such performance would be illegal or contrary to public policy under the laws of South Africa or the foreign jurisdiction, or to the extent that the law precludes South African courts from granting extra-territorial orders. South African courts have the discretion of refusing the granting of orders with extra-territorial effect if the granting of such order would be ineffectual.

Under the South African Recognition and Enforcement of Foreign Arbitral Awards Act, No. 40 of 1977 (the "**SA Enforcement Act**"), any foreign arbitral award may, subject to the provisions of sections 3 and 4 thereof, be made an order of court. Any such award which has been made an order of court pursuant to the provisions of the SA Enforcement Act may be enforced in the same manner as any judgment or order to the same effect (subject to the provisions of the SA PB Act, which apply *mutatis mutandis* to foreign arbitral awards).

Effect of liquidation on civil proceedings

In general and subject to certain exceptions, civil proceedings (including arbitration proceedings) instituted by or against a company are automatically stayed upon the winding-up of the company until the appointment of a final liquidator. Execution against the company in liquidation's assets is similarly stayed. A plaintiff wishing to continue with such proceedings against the company in liquidation must give the final liquidator three weeks' notice of its intention to do so within a period of four weeks from the date on which that liquidator is finally appointed, failing which, the proceedings are deemed to be abandoned. However, where the court finds that there was a reasonable excuse for a failure to give the requisite notice, it has a discretion to allow a plaintiff to continue with proceedings on such conditions as it deems fit.

Any attachment or execution put in force against the estate or assets of the company after the commencement of the winding-up (i.e the date upon which the application for the winding-up was lodged with the Court or a resolution to voluntarily wind-up the company was filed) shall be void.

Jersey

The following is a discussion about the enforceability of certain foreign and U.S. court judgments in Jersey.

Recognition of foreign judgments

As a general rule, foreign judgments, including judgments obtained in courts outside of Jersey predicated upon civil liabilities and any judgment obtained in courts outside of Jersey predicated upon United States federal securities laws, cannot be directly enforced in Jersey, although an exception to this rule occurs where the Judgments (Reciprocal Enforcement) (Jersey) Law 1960, as amended (the "**1960 Law**"), applies.

The 1960 Law provides for the registration and enforcement in Jersey of judgments given in the superior courts of countries which accord reciprocal treatment to judgments given in Jersey. Presently, the reciprocating countries and their superior courts are as follows:

- High Court of Justice, Court of Appeal, or the Supreme Court of England and Wales;
- Scotland Court of Session, Sheriff Court;
- Northern Ireland Supreme Court of Judicature;
- Isle of Man Her Majesty's High Court of Justice (including the Staff of Government Division); and
- Guernsey Royal Court, Court of Appeal.

Not all judgments given by such superior courts can be registered. The registration procedure set out in Part 2 of the 1960 Law applies only to judgments or orders given or made in civil proceedings, or in criminal proceedings for the payment of a sum of money in respect of compensation or damages to an injured party. It does not apply to judgments given by such superior courts on appeal from an inferior court nor, for example, to an English County Court judgment given in proceedings later transferred to the High Court for enforcement. In addition, the judgment must:

- be final and conclusive as between the parties (whether or not an appeal in the foreign court is pending or possible);
- provide for the payment of a sum of money, but not in respect of taxes or similar charges, or a fine or other penalty;
- be for a moneys sum which has not been wholly satisfied; and
- be able to be enforced by execution.

Further detailed provisions in relation to the enforcement of foreign judgments in Jersey are contained in the 1960 Law. If a foreign judgment falls within Part 2 of the 1960 Law, the judgment creditor must use the registration procedure, as further described in the 1960 Law.

Where registration under the 1960 Law is not available, it will be necessary for a holder of a foreign judgment to commence fresh proceedings in Jersey, which proceedings might, *inter alia*, involve a re-examination of the merits of the case.

The Netherlands

After the United Kingdom left the European Union on January 31, 2020, on February 1, 2020, a transition period started which is due to last until December 31, 2020 (the "**Transition Period**"). The provisions of Council Regulation (EC) No. 1215/2012 in respect of the mutual recognition and enforcement of judgments will continue to apply to proceedings taken before the end of the Transition Period. As of the date of this Prospectus, no clarity can be provided in respect of the enforceability in the Netherlands of judgments rendered by English courts in respect of proceedings that will be taken after the Transition Period has come to an end.

United States and South Africa

In the absence of an applicable treaty between the United States and the Netherlands and South Africa and the Netherlands, judgments rendered by United States courts or South African courts will not be enforced by the courts of the Netherlands. In order to obtain a judgment which is enforceable in the Netherlands, the claim

must be reheard on the merits before a competent Netherlands court in accordance with section 431 of the Dutch Code on Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). A binding effect of a judgment obtained in the United States or in South Africa should generally be obtained if proper service of process has been given and if the judgment rendered by the United States court or the South African court:

- results from proceedings compatible with Netherlands concepts of due process;
- does not contravene public policy of the Netherlands
- the jurisdiction of the United States or South African court has been based on an internationally acceptable ground; and
- the judgment by the United States or South African court is not incompatible with a judgment rendered between the same parties by a Dutch court, or with an earlier judgment rendered between the same parties by a non-Dutch court in a dispute that concerns the same subject and is based on the same cause, provided that the earlier judgment qualifies for recognition in the Netherlands.

England

Final and enforceable judgments rendered by English courts will be enforced and recognized by the Dutch courts without re-trial or re-examination of the merits, on the basis of and subject to the provisions of Council Regulation (EC) 44/2001 (as amended, Council Regulation (EC) 1215/2012, Council Regulation (EC) 805/2004 (as amended) and the Dutch Code on Civil Procedure.

Moreover, a Dutch court may reduce the amount of damages granted by a U.S. court, South African court or English court and recognize damages only to the extent that they are necessary to compensate actual loss or damages.

Belgium

In the absence of any applicable bilateral or multilateral treaty, a final and enforceable judgment of United States courts would be recognized and enforced by the courts of Belgium subject to the conditions specified in Articles 22 to 25 of the Belgian Code of Private International Law (*Wetboek van Internationaal Privaatrecht/Code de Droit International Privé*) (i.e., formal exequatur proceedings). Articles 22 et seq. of the Belgian Code of Private International Law mainly require that the recognition or enforcement of the foreign judgment should not be a manifest violation of public policy, that the foreign courts must have respected the rights of the defendant, that the foreign judgment should be final, and that the assumption of jurisdiction by the foreign court may not have breached certain principles of Belgian law.

Pursuant to Article 24 of the Belgian Code of Private International Law, the following documents must be produced in court by the claimant:

- an official copy of the judgment (*uitgifte van de beslissing/expédition de la décision*) fulfilling all conditions required for its authentication under the applicable foreign law;
- if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law; and
- any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.
- However, recognition and enforcement can be refused in the circumstances described in Article 25 of the Belgian Code of Private International Law, and notably if:
- the rights of defence have been violated;
- such recognition or enforcement would be manifestly incompatible with Belgian public policy;

- the decision is not final and may still be appealed under the applicable foreign law (however, provisional enforcement could then be granted) or does not meet the requirements of authenticity pursuant to the applicable laws;
- if in relation to matters for which parties cannot freely dispose of their rights, the decision has been sought with the sole purpose of escaping from the application of the laws applicable in accordance with Belgian private international law;
- the claim was filed in the United States after the filing in Belgium of a claim that is still pending between the same parties with respect to the same subject matter;
- the judgment is incompatible with a decision rendered in Belgium or a prior judgment rendered in another jurisdiction that can be recognized in Belgium;
- Belgian jurisdictions had exclusive jurisdiction in respect of that matter;
- the jurisdiction of the foreign judge was exclusively based on the presence of the defendant or assets without any direct connection with the dispute in the foreign state; or
- the decision is in conflict with the rules on the recognition and enforcement of court decisions in relation to insolvency proceedings, intellectual property or corporate standing.

As a general principle, procedural rules are governed by the law of the jurisdiction of the court (*lex fori*). In Belgium the procedural rules contained in, amongst others, the Belgian Judicial Code and the Belgian Code of Private International Law will apply when recognition and enforcement of judgments rendered by United States courts is sought in Belgium.

In the case of an enforcement through legal proceedings in Belgium (including the exequatur of foreign court decisions in Belgium), a registration duty at the rate of 3% of the amount of the judgment is payable by the debtor if the sum of money that the debtor is ordered to pay by a Belgian court, or by a foreign court judgment that is either (i) automatically enforceable and registered in Belgium or (ii) rendered enforceable by a Belgian court, exceeds EUR 12,500. A nominal registration tax would be due on the registration of bailiff deeds.

The Belgian Code of Private International Law contains specific rules for the enforcement of judgements that relate to insolvency matters.

DEFINITIONS

"**1960 Law**" means the Judgments (Reciprocal Enforcement) (Jersey) Law 1960, as amended from time to time.

"**2020 Resource Statement**" means the Group's published resource statement dated June 30, 2020.

"**Absa**" means Absa Bank Limited (registration number 1986/004794/06), a company incorporated and registered as a bank under the laws of the Republic of South Africa, acting through its Corporate and Investment Banking Division.

"**Account Holder Letter**" means the account holder letter substantially in the form set out in appendix 3 ("*Form of Account Holder Letter*") to the Explanatory Statement.

"**Additional Intercreditor Agreement**" has the meaning given to the term in Part 7 ("*Description of Certain Financing Arrangements*") of this Prospectus.

"**Additional Notes**" means any additional Notes issued by the Issuer under the Indenture from time to time.

"**Ad Hoc Committee**" means the informal ad hoc committee of Noteholders which was formed for the purposes of facilitating discussions and negotiations between the Noteholders and the Company and the Issuer in respect of the Consensual Restructuring.

"**Adjusted EBITDA**" represents net profit after tax, stated before depreciation, share-based expense, net finance expense (excluding net unrealized foreign exchange gains and losses), tax expense (excluding taxation credit on impairment charge), impairment charges, expected credit loss provision, net unrealized foreign exchange gains and losses and loss/profit on discontinued operations.

"**Adjusted EBITDA Margin**" is calculated by dividing Adjusted EBITDA by revenue.

"**Adjusted Mining and Processing Costs**" consist of mining and processing costs stated before depreciation and share-based expense.

"**Austrian Capital Markets Act**" means the Austrian Capital Markets Act (*Kapitalmarktgesetz*), as amended from time to time.

"**BDM**" means Blue Diamond Mines (Pty) Ltd.

"**BEE**" mean black economic empowerment, or broad-based black economic empowerment, which arises as a result of, *inter alia*, the following South African legislation: the Employment Equity Act No. 55 of 1998; the Skills Development Act No. 97 of 1998; the Preferential Procurement Policy Framework Act No. 5 of 2000; and the Broad Based Black Economic Empowerment Act No. 53 of 2003.

"**BEE Partners**" means the Company's black economic empowerment partners at its mines in South Africa.

"**Bermuda Guarantor**" means Guarantors incorporated under the laws of Bermuda.

"**Board of Directors**" or "**Board**" means the board of directors of the Company.

"**Boodles**" means Boodle and Dunthorne Limited.

"**Book-Entry Interest**" has the meaning given to that term in Part 8 ("*Description of the Notes*") of this Prospectus.

"**Book XX of the Code of Economic Law**" means the Book XX (Insolvency of Enterprises) of the Belgian Code of Economic Law.

"**Botswana**" means the Republic of Botswana.

"**Bultfontein**" means the Bultfontein kimberlite pipe, part of the Kimberley Underground operations in Kimberley, South Africa.

"**Capital Reduction**" means the capital reduction pursuant to the Consensual Restructuring, as described in paragraph 3(b) of Part 3 ("*Consensual* Restructuring") of this Prospectus.

"**CBI**" means the Central Bank of Ireland.

"**CDM**" means Cullinan Diamond Mine (Pty) Ltd, which operates the Cullinan mine.

"**Chapter 15**" means chapter 15 of title 11 of the U.S. Code, 11 U.S.C. §§101-1532.

"**Chapter 15 Filing**" means a petition filed under Chapter 15 for recognition of the proceedings before the Court to obtain the Scheme Sanction Order. "**Chapter 15 Recognition**" means the entry of an order under Chapter 15 by the U.S. Bankruptcy Court granting recognition of the proceedings before the Court to obtain the Scheme Sanction Order and enforcing the Scheme Sanction Order within the territorial jurisdiction of the United States.

"**Clearing System**" means Euroclear and/or Clearstream.

"**Clearstream**" means Clearstream Banking, *société anonyme*.

"**COMI**" means the centre of main interest.

"**Company**" means Petra Diamonds Limited, an exempted company incorporated under the laws of Bermuda with limited liability and the registration number 23123 with its group management office in Jersey, Channel Islands.

"**Competent Person**" means John Kilham, Pr. Sci. Nat (reg. No. 400018/07), an independent consultant appointed by the Company for the purpose of independently reviewing and verifying the mineral resource and mineral reserve estimates of the Group collated under the guidance and supervision of the Company's Group Lead – Mineral Resource Management, Andrew Rogers, Pr. Sci. Nat. (reg. No. 120664).

"**Consensual Restructuring**" means the financial restructuring of the Group, involving: (a) the reinstatement of a portion of the Existing High Yield Notes Debt by way of the Notes; (b) the Debt for Equity Conversion; (c) the provision of the New Money; (d) the restructuring of certain other financial indebtedness of the Group; and (e) the Chapter 15 Filing and the related proceedings, as more fully described in Part 3 ("*Consensual Restructuring*") of this document.

"**CONSOB**" means the Italian *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following (to the extent deducted in calculating such Consolidated Net Income), without duplication.

"**Consolidated Financial Act**" means the Italian Legislative Decree No. 58 of February 24, 1998, as amended from time to time.

"**Consolidated Net Debt**" means bank loans and borrowings plus the Notes, less cash and diamond debtors.

"**Counter Indemnity Agreement**" means the indemnity agreement between the debtors and the Security SPV originally dated May 4, 2015 (as amended and/or restated from time to time) pursuant to which the debtors indemnify the Security SPV against any loss, cost, liability or expense which the Security SPV may suffer or incur under or in connection with the Security SPV Guarantees.

"**Cullinan**" means the Cullinan diamond mine in Gauteng Province, South Africa.

"**Cullinan Mining Right**" means the Cullinan Mining Right granted to De Beers pursuant to Item 7 of Schedule II of the MPRDA and ceded from De Beers to Cullinan Diamond Mine (Pty) Ltd by a notarial deed

of cession on July 1, 2008 pursuant to section 11 of the MPRDA in respect of the area covered by the Cullinan Mining Right.

"**De Beers**" means De Beers Société Anonyme and De Beers Consolidated Mines Limited, as the context requires.

"**Debt for Equity Conversion**" means the issuance of 8,844,657,929 New Ordinary Shares of 0.001 pence each in consideration for the assignment by the Noteholders to the Company of approximately US$409.9 million of the Existing High Yield Notes Debt.

"**Depositary**" means Link Market Services Trustees Limited.

"**Depositary Interests**" means independent securities constituted under English law and issued, or to be issued, by the Depositary in respect, and representing on a one-for-one basis, underlying Ordinary Shares which may be held or transferred through the CREST system.

"**Designated Recipient**" means any person (who is not a Disqualified Person) appointed by a Scheme Creditor under a validly completed and timely Account Holder Letter submitted to the Information Agent on behalf of a Scheme Creditor to: (a) receive the Notes or New Ordinary Shares to which that Scheme Creditor is entitled pursuant to the terms of the Scheme of Arrangement and the Implementation Deed; and/or (b) provide the New Money which that Scheme Creditor has elected to provide in its Account Holder Letter.

"**Diacore**" means Diacore International Limited.

"**Directors**" means the members of the Board of Directors, and "Director" is to be construed accordingly.

"**Disqualified Person**" means a person who is: (a) resident or located in, or subject to the laws of, any jurisdiction where the offer to issue to, the sale or subscription, the exercise or other form of acceptance by, the delivery of or possession by such person of any New Ordinary Shares and/or the Notes or the possession or distribution of any offering material prepared in relation thereto is prohibited by law or regulation or would, or would be likely to, result in the Company, or the Issuer or any of their subsidiaries being required to comply with any filing, registration, disclosure or onerous requirement in such jurisdiction (as may be determined by the Company in its sole discretion); or (b) neither (i) resident and located outside the United States nor (ii) an institutional 'accredited investor' within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) under the US Securities Act.

"**DMRE**" means the Department of Mineral Resources of South Africa.

"**DSCR Breach**" means a breach of the Senior DSCR on the six-monthly assessment point at December 31, 2021.

"**Dutoitspan**" the Dutoitspan kimberlite pipe, part of the Kimberley Underground operations in Kimberley, South Africa.

"**Ealing**" means Ealing Management Services (Pty) Ltd.

"**Ebenhaezer**" means the satellite kimberlite pipe at Koffiefontein.

"**Euroclear**" means Euroclear Bank SA/NV.

"**EU**" means the European Union first established by a treaty made at Maastricht on February 7, 1992.

"**EU Insolvency Regulation**" means Council Regulation (EC) no. 1346/2000 on insolvency proceedings.

"**EU Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended from time to time.

"**Euronext Dublin**" refers to the trading name of the Irish Stock Exchange plc.

"**EUWA**" means the European Union (Withdrawal) Act 2018.

"**Existing BEE Facilities Lenders**" means together, ABSA, Invam and FirstRand Bank.

"**Existing BEE Facilities**" means the term loan facilities made available by the Existing BEE Facilities Lenders to the BEE Partners.

"**Existing DIs**" means the existing Depositary Interests.

"**Existing High Yield Noteholder**" means a person holding Existing High Yield Notes.

"**Existing High Yield Notes**" means the Issuer's $650,000,000 7.25% Senior Secured Second Lien Notes due 2022.

"**Existing High Yield Notes Debt**" means, in relation to the 2022 Notes, all present and future monies, debts and Liabilities owed or incurred from time to time, including the outstanding principal amount of such Existing High Yield Notes and any accrued but unpaid interest, by the Issuer or any Guarantor.

"**Existing High Yield Notes Indenture**" means the indenture dated April 12, 2017 between the Company, the Issuer, the Guarantors, the Trustee and the Security SPV governing the terms of the issue of the Notes.

"**Existing Ordinary Shares**" means the Ordinary Shares in issue at 18 December 2020 (including, if the context requires, the Existing DIs).

"**Existing RCF**" means the Group's existing ZAR400 million (in aggregate) revolving credit facility provided by the Existing RCF Lenders, which may be increased to an amount not exceeding ZAR1 billion in certain circumstances.

"**Existing RCF Lenders**" means Absa and Nedbank.

"**Existing Senior Facilities**"" means the Existing WCF, the Existing RCF and the Existing BEE Facilities.

"**Existing WCF**" means the Group's existing ZAR500 million (in aggregate) working capital facilities provided by the Existing WCF Lenders.

"**Existing WCF Lenders**" means Absa and FirstRand.

"**Explanatory Statement**" means the explanatory statement dated December 10, 2020 required to be provided to the Scheme Creditors pursuant to section 897 of the UK Companies Act.

"**FDM**" means Finsch Diamond Mine (Pty) Ltd, which operates the Finsch mine; this entity was previously named Afropean Diamonds (Pty) Ltd.

"**Finsch**" means the Finsch diamond mine in Northern Cape Province, South Africa.

"**Finsch Mining Right**" means the mining right held by Finsch Diamond Mine (Pty) Ltd.

"**First Lien Agent**" means Firstrand Bank Limited (acting through its Rand Merchant Bank division).

"**First Lien Amendment Agreement**" means the amendment agreement dated May 29, 2020 between the Company, among others, certain members of the Group and the First Lien Lenders, amending the First Lien Facilities.

"**First Lien Facilities**" means the Existing RCF, the Existing WCF and other general banking facilities provided by the Existing WCF Lenders and the Existing BEE Facilities.

"**First Lien Lenders**" means the Existing RCF Lenders, the Existing WCF Lenders and the Existing BEE Facilities Lenders.

"**First Ranking Security SPV Guarantees**" means each Security SPV Guarantee issued in favour of the Senior Secured Lenders.

"**FirstRand Bank**" or "**RMB**" means FirstRand Bank Limited (acting through its Rand Merchant Bank division).

"**FSMA**" means the Financial Services and Markets Act, 2000 (as amended).

"**FY**" means the Company's financial year July 1 to June 30.

"**Group**" means the Company and its subsidiaries.

"**Guarantees**" means the guarantees on the Notes, jointly and severally, on a senior basis, by the Company and Guarantors, ranking pari passu in right of payment with all of the relevant Guarantors' existing and future senior indebtedness.

"**Guarantors**" means the Company; Petra Diamonds UK Treasury Limited; Petra Diamonds Southern Africa Proprietary Limited; Willcroft Company Limited; Blue Diamond Mines Proprietary Limited; Petra Diamonds Holdings SA Proprietary Ltd (formerly known as Luxanio Trading 105 Proprietary Limited); Premier (Transvaal) Diamond Mining Company Proprietary Limited; Finsch Diamond Mine Proprietary Limited; Ealing Management Services Proprietary Limited; Cullinan Diamond Mine Proprietary Limited; Tarorite Proprietary Limited; Petra Diamonds Jersey Treasury Limited; Petra Diamonds Belgium BV; Petra Diamonds Netherlands Treasury BV and Petra Diamonds UK Services Limited.

The Company plans to dissolve Petra Diamonds Jersey Treasury Limited and Petra Diamonds Netherlands Treasury BV in connection with the reorganisation of its treasury management functions

"**Guardrisk**" means Guardrisk Insurance Company Limited.

"**H1**" or "**H2**" means first half, or second half, of the financial year.

"**Hedging Facilities**" means the hedging facilities outlined in Part 7 ("*Description of Certain Financing Arrangements*") of this Prospectus.

"**Holders**" means the holders of the Notes.

"**Holding Period**" means the period from the Restructuring Effective Date until the Holding Period Expiry Date.

"**Holding Period Expiry Date**" means the date falling 12 months after the Restructuring Effective Date.

"**Holding Period Trust Deed**" means the trust deed entered into on 22 January 2021 between, among others, the Issuer, the Company and the Holding Period Trustee.

"**Holding Period Trustee**" means Lucid Issuer Services Limited, it its capacity as trustee under the Holding Period Trust Deed.

"**HSE Committee**" means the committee responsible for the health, safety and environmental policy of the Group, and compliance with that policy within the Group.

"**Implementation Deed**" means the agreement dated 19 January 2021 entered into by, inter alios, the Company and the Scheme Creditors following receipt of the Scheme Sanction Order governing the implementation of the Consensual Restructuring.

"**Indenture**" means the indenture governing the Notes, to be dated on or about the Issue Date.

"**Information Agent**" means Lucid Issuer Services Limited, it its capacity as Information Agent.

"**Initial Senior Secured Discharge Date**" means the first date on which the Initial Senior Secured Liabilities have been fully and finally discharged to the satisfaction of the Initial Senior Secured Loans Agent, whether or not as the result of a refinancing, an enforcement or otherwise, and the Initial Senior Secured Lenders are under no further obligation to provide financial accommodation to any of the Debtors under any of the Initial Senior Secured Finance Documents.

"**Initial Senior Secured Finance Documents**" means:

(a) the Initial Senior Secured Facilities Agreement; and

(b) each facility agreement documenting the Ancillary Facilities, dated on or around the Restructuring Effective Date; and

(c) each other document which is a "Finance Document" (as defined in the Initial Senior Secured Facilities Agreement).

"**Initial Senior Secured Lenders**" means each person who is a "Lender" as defined in the Initial Senior Secured Finance Documents.

"**Initial Senior Secured Liabilities**" means the Liabilities owing to the Initial Senior Secured Lenders under the Initial Senior Secured Finance Documents.

"**Institutional Accredited Investors**" means institutional accredited investors as defined in Rule 501(a)(1), (2), (3), (7), (8), (9), (12) or (13) under the U.S. Securities Act.

"**Insurance Distribution Directive**" means Directive (EU) 2016/97, as amended from time to time.

"**Intercreditor Agreement**" means the intercreditor agreement dated May 4, 2015 and between, among others, the Issuer, the Guarantors, the Security SPV and certain other lenders to the Issuer and the lenders under and agent with respect to the New Bank Facilities as amended, restated or otherwise modified or varied from time to time and as acceded to by the Trustee on or about April 12, 2017 and as amended and restated as of March 9, 2021.

"**Interest Payment Date**" means June 30 and December 31 in each year up until the Maturity Date.

"**Intermediaries Regulation**" means the Italian CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time.

"**Invam**" means Investec Asset Management (Pty) Ltd.

"**IPDET**" means Itumeleng Petra Diamonds Employee Trust.

"**Issue Date**" means March 9, 2021.

"**Issuer**" means Petra Diamonds US$ Treasury Plc.

"**Italian Financial Act**" means the Italian Legislative Decree No. 58 of February 24, 1998, as amended from time to time.

"**Jersey Bankruptcy Law**" means the Bankruptcy (Désastre) (Jersey) Law 1990, as amended from time to time.

"**Jersey Companies Law**" means the Companies (Jersey) Law 1991, as amended from time to time.

"**JIBAR**" means the Johannesburg Interbank Average Rate.

"**Kago Diamonds**" means Kago Diamonds (Pty) Ltd, the commercial BEE Partner of the Company in respect of its South African operations.

"**Kimberley Process**" means a joint government, industry and civil society certification initiative to stem the flow of conflict diamonds wherein participants can legally trade only with other Kimberley Process participants who have also met the minimum requirements of the scheme, and which requires international shipments of rough diamonds to be accompanied by a certificate guaranteeing they are conflict-free.

"**Kimberley Underground**" means the Kimberley underground mines, being Bultfontein, Dutoitspan and Wesselton, in Kimberley, South Africa.

"**Koffiefontein**" means the Koffiefontein underground diamond mine in the Free State province of South Africa.

"**LEI**" means legal entity identifier.

"**Letlapa Tala Collection**" means the five high quality Type IIb blue diamonds of significant colour, clarity and size recovered at the Cullinan mine in September 2020 which were sold pursuant to a special, standalone tender that completed on November 24, 2020.

"**LGD**" means laboratory-grown gem diamond.

"**Liabilitiy**" means any debt, liability or obligation whatsoever, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation, and whether it arise at common law, in equity or by statute, in England and Wales or in any other jurisdiction, or in any other manner whatsoever, but such expression does not include any liability which is barred by statute or is otherwise unenforceable or arises under a contract which is void or, being voidable, has been duly avoided and "**Liabilities**" shall be construed accordingly.

"**Liquidity Covenant**" means the liquidity covenant of maintaining a minimum actual and forecasted liquidity of US$20 million, where liquidity constitutes available amounts under the New RCF as well as cash and cash equivalents.

"**Lockdown Directive**" means the directive issued by the South African Government on March 23, 2020 requiring a 21 day national lockdown, effective midnight Thursday March 26, 2020 to midnight Thursday April 16, 2020.

"**Lock-Up Agreement**" means the agreement dated November 17, 2020 between, inter alios, the Issuer, the Company and certain Existing High Yield Noteholders under which those Existing High Yield Noteholders agreed, among other things and subject to certain conditions, to consummate the Consensual Restructuring.

"**LTIFR**" means lost time injury frequency rate.

"**Main Market**" means the London Stock Exchange's main market for listed securities.

"**major diamond producers**" or "**majors**" means De Beers, Alrosa and Rio Tinto.

"**Maturity Date**" means March 8, 2026.

"**Member State**" means a member state of the EU.

"**EU MiFID II**" means Directive 2014/65/EU, as amended from time to time.

"**Mine-Owning Entities**" means Cullinan Diamond Mine (Pty) Ltd, Finsch Diamond Mine (Pty) Ltd and Blue Diamond Mines (Pty) Ltd.

"**Mining Charter**" means the Mining Charter published under the MPRDA.

"**MPRDA**" means the Mineral and Petroleum Resources Development Act No. 28 of 2002 (South Africa).

"**Mwadui**" means the kimberlite upon which the Williamson mine is based.

"**NDC**" means the Natural Diamond Council.

"**Nedbank**" means Nedbank Limited, acting through its Corporate and Investment Banking division.

"**New Bank Facilities**" means the New Term Loan, the New RCF, the Ancillary Facilities and the Hedging Facilities.

"**New Money**" means the US$30 million to be contributed to the Issuer by the Existing High Yield Noteholders (or certain Existing High Yield Noteholders, depending on holder elections) in consideration for the issue of the Notes as part of the Consensual Restructuring.

"**New Ordinary Shares**" means 8,844,657,929 Ordinary Shares issued by the Company pursuant to the Debt for Equity Conversion.

"**New RCF**" means the revolving credit facility made available to the Group on and from the Restructuring Effective Date by the Existing RCF Lenders as part of the Consensual Restructuring and as further described in Part 7 ("*Description of Certain Financing Arrangements*") of this Prospectus.

"**New Term Loan**" means the term loan facility made available to the Group on and from the Restructuring Effective Date by Absa Bank Limited, Nedbank Limited, FirstRand Bank Limited and Ninety One SA Proprietary Limited, as part of the Consensual Restructuring and as further described in Part 7 ("*Description of Certain Financing Arrangements*") of this Prospectus.

"**NGOs**" means non-governmental organizations.

"**Nomination Right**" means the entitlement of certain individual Existing High Yield Noteholders, in their capacity as Shareholders after the successful implementation of the Consensual Restructuring, to nominate, pursuant to the Consensual Restructuring, an individual to be appointed as a non-independent, Non-Executive Director of the Company and to nominate one observer to be appointed to the Board.

"**Non-Executive Directors**" means the non-executive directors of the Company from time to time, which at the date of this Prospectus are Peter Hill CBE, Varda Shine, Alexander Gordon Kelso Hamilton, Octavia Matloa, Matthew Glowasky and Bernard Pryor.

"**Noteholder Entitlement**" has the meaning given to the term in Part 3 ("*Consensual Restructuring*") paragraph 3(c) of this Prospectus.

"**Notes**" means the U.S.$336,656,000 Senior Secured Second Lien Notes due 2026 of the Issuer offered hereby.

"**NUM**" means the National Union of Mineworkers in South Africa, a trade union representing workers in the mining, energy and construction industries in South Africa.

"**OECD**" means the Organisation for Economic Co-operation and Development.

"**OECD BEPS Project**" means the OECD Base Erosion and Profit Shifting Project.

"**Official List**" means the Official List maintained by Euronext Dublin.

"**On-Mine Cash Costs**" means the on-mine cash costs calculated by subtracting from total mining and processing costs the following items: diamond royalties, changes in diamond inventory of finished goods and stockpiles, some centralised costs including diamond cleaning and sorting, marketing, technical and support costs, depreciation and share-based expense.

"**Open Market**" means in the context of a sale of the New Ordinary Shares or the Notes, the sale of such New Ordinary Shares or Notes to a third party on arm's length terms.

"**Ordinary Shares**" means the ordinary shares of 0.001 pence each (or such other nominal value of such shares from time to time) in the capital of the Company, including the Depositary Interests in respect of such shares.

"**PDCA**" means the 'Plan, Do, Check, Act' management method.

"**Petra Diamonds Botswana**" means Petra Diamonds Botswana (Pty) Ltd, the Company's wholly owned subsidiary which operates its exploration activities in Botswana.

"**PIK**" means payment in kind.

"**PIK Interest**" means payment in kind interest.

"**Premier Transvaal**" means Premier (Transvaal) Diamond Mining Company (Pty) Ltd.

"**Private Placement Global Note**" has the meaning given to the term in Part 8 ("*Description of the Notes*") of this Prospectus.

"**Profit from Mining Activities**" means the revenue less Adjusted Mining and Processing Costs plus other direct income.

"**Project 2022**" has the meaning given to the term in Part 6 ("*Description of the Group*") of this Prospectus.

"**Proposed Financial Provisioning Regulations**" means the Proposed Regulations Pertaining to Financial Provisioning for the Rehabilitation and Remediation of Environmental Damage Caused by Reconnaissance, Prospecting, Exploration, Mining or Production Operations, in terms of the National Environmental Management Act 107 of 1998.

"**Prospectus**" means this document relating to the Consensual Restructuring prepared in accordance with the EU Prospectus Regulation.

"**Qualified Investors**" means qualified investors (as defined in the EU Prospectus Regulation) that do not qualify as "public" (within the meaning of article 4(1) Capital Requirements Regulation (Regulation (EU) 575/2013) and the rules promulgated thereunder, as amended or any subsequent legislation replacing that regulation.

"**Qualifying Noteholders**" means certain Noteholders, in their capacity as Shareholders after the successful implementation of the Consensual Restructuring, who will each be entitled to nominate an individual to be appointed as a non-independent, Non-Executive Director of the Company and who will each be entitled to nominate one observer to the Board.

"**Registered Holder**" means DTC.

"**Registered Holder Nominee**" means Cede & Co. means as nominee for the Registered Holder.

"**Regulated Market of Euronext Dublin**" means the regulated market of Euronext Dublin.

"**Regulation S Global Note**" means Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act which are to be initially represented by one or more global notes in registered form without interest coupons attached.

"**Released Party**" means the 'Released Parties' as defined in the Deed of Release, comprising, inter alios, certain subsidiaries of the Company, the Company's advisers, the Sponsor and its legal advisers, the Trustee, the Registered Holder, the Registered Holder Nominee, the Holding Period Trustee, the Security SPV, the Scheme Creditors and such person's connected parties.

"**Restructuring Effective Date**" means the Issue Date.

"**Rio Tinto**" means Rio Tinto Plc.

"**Royal Court**" means the Royal Court of Jersey.

"**Royalty Act**" means the Mineral and Petroleum Resources Royalty Act No. 28 of 2008 of the Republic of South Africa.

"**SA Enforcement Act**" means the South African Recognition and Enforcement of Foreign Arbitral Awards Act, No. 40 of 1977, as amended.

"**SA Insolvency Act**" means Insolvency Act No. 24 1936 of South Africa, as amended.

"**SA PB Act**" means the South African Protection of Businesses Act No. 99 of 1978.

"**SAMREC Code**" means the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, as amended, as published by the South African Mineral Committee under the auspices of the South African Institute of Mining and Metallurgy and the Geological Society of South Africa.

"**SARB**" means the South African Reserve Bank.

"**Scheme Creditors**" means the Trustee, the Registered Holder (as the registered holder of the Global Notes), the Registered Holder Nominee (as the nominee for the Registered Holder) and the holders (as contingent creditors).

"**Scheme of Arrangement**" means the scheme of arrangement proposed pursuant to Part 26 of the UK Companies Act between the Issuer and the Scheme Creditors.

"**Scheme Sanction Order**" means the order of the Court sanctioning the Scheme of Arrangement under section 899 of the UK Companies Act.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Prospectus Act**" means the Securities Prospectus Act of the Federal Republic of Germany.

"**Security SPV**" means Bowwood and Main No 166 (RF) (Pty) Ltd (Registration number 2014/263019/07).

"**Security SPV Guarantee**" has the meaning given to the term in Part 8 ("*Description of the Notes*") of this Prospectus.

"**SED Committee**" means the committee which oversees the Group's social, ethics and diversity systems and policies and the monitoring of compliance.

"**Sedibeng Mining**" means Sedibeng Mining (Pty) Ltd.

"**Sekaka Diamonds**" means Sekaka Diamonds Exploration (Pty) Limited.

"**Senior Agent**" means the administrative agent for the Senior Facilities.

"**Senior Discharge Date**" means the first date on which the Total Senior Secured Liabilities and the Hedging Liabilities have all been fully and finally discharged to the satisfaction of the Senior Secured Loans Agent (in the case of the Total Senior Secured Liabilities) and each relevant Hedge Counterparty (in the case of its Hedging Liabilities), whether or not as the result of an enforcement, and the relevant Senior Secured Creditors are under no further obligation to provide financial accommodation to any of the debtors under the Debt Documents.

"**Senior DSCR**" means the debt service cover ratio (being the ratio of cash flow to the debt service on the New Bank Facilities), which must be above 1.3x until the maturity of the New Bank Facilities otherwise the obligors shall be in default.

"Senior Facilities" means, other than any Hedging Obligations contained therein, collectively the term facility and revolving credit facility under the senior facilities agreement dated on or around March 9, 2021 between, among others, Ealing Management Services Proprietary Limited, as company and borrower, the guarantors listed therein, the lenders listed therein, Firstrand Bank Limited (acting through its Rand Merchant Bank Division), Lexshell 825 Investments (RF) Proprietary Limited and Bowwood and Main No 166 (RF) Proprietary Limited (the **"Senior Facilities Agreement"**) and the Ancillary Facilities (in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time).

"Senior Secured Facilities Agreement" means

a) on or prior to the Initial Senior Secured Discharge Date, the Initial Senior Secured Facilities Agreement; and

b) after the Initial Senior Secured Discharge Date, any credit facility that meets the requirements of a "Credit Facility" under and as defined in the Second Lien Note Documents which is entitled, under the terms of the Second Lien Note Documents, to share in the transaction security with the rights and obligations of the Senior Secured Lenders as provided for in the Intercreditor Agreement and to receive priority with respect to payments under the Guarantees and the receipt of proceeds of any Enforcement of the transaction security.

"**Senior Secured Lenders**" means:

(a) on or prior to the Initial Senior Secured Discharge Date, each Initial Senior Secured Lender; and

(b) after the Initial Senior Secured Discharge Date, each person identified as a "Lender" under the relevant Senior Secured Facilities Agreement.

"**Shareholders**" means the holders of Ordinary Shares in the capital of the Company whether such shares are held in certificated form or through Depositary Interests, as the context so requires, which shall include the Noteholders in their capacity as the holders of the New Ordinary Shares.

"**South African Companies Act**" means the South African Companies Act, 71 of 2008, as amended.

"**South African Guarantor**" means Guarantors incorporated under the laws of South Africa.

"**Sponsor**" means BMO Capital Markets Limited.

"**Tanzania**" means the United Republic of Tanzania.

"**Trust Property**" has the meaning given to that term in paragraph 2.3(c) of Part 3 ("*Consensual Restructuring*") of this Prospectus.

"**Trustee**" means Deutsche Bank Trust Company Americas.

"**U.K. Guarantor**" means Guarantors incorporated under the laws of England and Wales.

"**U.K. Obligor**" has the meaning given to the term in Part 14 ("*Certain Insolvency Law Considerations and Certain Limitations on Guarantees*") of this Prospectus.

"**UNCITRAL**" means the United Nations Commission on International Trade Law.

"**U.S. Bankruptcy Court**" means the U.S. Bankruptcy Court for the Southern District of New York or other appropriate forum in a case filed under Chapter 15 of Title 11 the U.S. Code.

"**U.S. Code**" means the United States Code, being a consolidation and codification by subject matter of the general and permanent laws of the United States of America.

"**U.S. Holder**" has the meaning given to the term in Part 9 ("*Certain Tax Considerations*") of this Prospectus.

"**U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Unadmitted Entitlements**" has the meaning given to that term in paragraph 2.3(c) of Part 3 ("*Consensual Restructuring*") of this Prospectus.

""**Voting Instruction Deadline**" means 5.00 p.m. (London time) on January 5, 2021.

"**WDL**" means Williamson Diamonds Limited.

"**Wesselton**" means the Wesselton kimberlite pipe, part of the Kimberley Underground operations in Kimberley, South Africa.

"**Willcroft**" means Willcroft Company Limited.

"**Williamson**" means the Williamson diamond mine in Mwadui, Shinyanga Province, Tanzania.

"**Working Capital Period**" means between 22 December 2020 and 21 December 2021.

GLOSSARY OF TECHNICAL TERMS

"**0**"	degree
"**0^{c}**"	degrees Celsius
"aeromagnetic"	refers to a geophysical magnetic survey carried out above the ground commonly using a helicopter or a fixed wing aircraft
"alluvial"	deposits of diamonds which have been removed from the primary source by natural erosive action over millions of years, and eventually deposited in a new environment such as a river bed, an ocean floor or a shoreline
"alluvial gravel"	gravel beds deposited by the action of rivers
"anomalous" or **"anomaly"**	a departure from the expected norm; in mineral prospecting this term is generally applied to either geochemical or geophysical values higher or lower than the norm
"Archaean"	a geologic eon before the Paleoproterozoic Era of the Proterozoic Eon, before 2,500 million years ago
"AUC"	the central section of the Cullinan orebody
"autogenous mill"	so called due to the self-grinding of the ore; a rotating drum throws larger rocks of ore in a cascading motion which causes impact breakage of larger rocks and compressive grinding of finer particles
"automation"	the use of control systems and information technologies to reduce the need for human work in the production
"banded iron formation"	distinctive units of sedimentary rock that are almost always of Precambrian age; a typical banded iron formation consists of repeated, thin layers of iron oxides, either magnetite (Fe3O4) or hematite (Fe2O3), alternating with bands of iron-poor shale and chert
"**BA5**"	a depleted mining block on the 630m level above the current C-Cut phase 1 block cave
"**BB1E**"	a depleted mining block on the 763m level above the current CC1E mining block
"**beneficiation**"	in the context of the diamond industry, this refers to the process of adding value along the diamond pipeline, from mining through to the final fabrication of a consumer product
"**blast hole open stoping**"	a low cost bulk method of mining suitable for large, regularly shaped and steeply dipping ore bodies

"**block caving**"	an underground hard rock mining method that involves undermining an ore body, allowing it to progressively collapse under its own weight. In block caving, a large section of rock is undercut, creating an artificial cavern that fills with its own rubble as it collapses
"**Bouma**"	crater facies turbidite deposits; a facies type specific to Williamson
"**breccia**"	a rock composed of large angular fragments typically greater than 2mm, cemented together by a fine-grained matrix
"**bulk sample**"	a large sample for the purpose of estimating the grade of a diamond deposit and to produce a large enough quantity of diamonds to enable an evaluation of diamond quality
"Bushveld Complex"	the largest known layered igneous complex on Earth, located in South Africa and host to approximately 80 per cent of the world's resources of platinum group metals
"BVK"	brecciated volcaniclastic kimberlite—resedimented volcaniclastic kimberlite with 40 per cent to 75 per cent granite clasts, specific to Williamson
"C-Cut"	the 'Centenary Cut', a major resource of 133 million carats located beneath the B-Block of the Cullinan orebody
"C-Cut Phase 1"	mining of the C-Cut Phase 1 block cave and the CC1E via a sub-level cave
"Carat" or "ct"	a measure of weight used for diamonds, equivalent to 0.2 grams
"CC1 East" or "CC1E"	the eastern section of the Cullinan orebody
"clast"	fragment of pre-existing rock produced by the process of weathering and erosion
"concentrate"	a form of substance which has had the majority of its base component removed
"country rock"	the rock which encloses a mineral deposit, igneous intrusion, or other feature
"cpht"	carats per hundred tonnes
"crater"	a more or less circular depression formed by volcanic eruption
"craton"	a part of the Earth's crust which has been relatively stable for a very long period
"Cretaceous"	a geologic period from approximately 145.5 to 65.5 million years ago, the Cretaceous follows the Jurassic period and is followed by the Paleogene period of the Cenozoic era
"ctpa"	carats per annum

"cut-off grade"	the lowest grade of mineralised material considered economic to extract; used in the calculation of the ore Reserves in a given deposit
"Dense Media Separation" or "DMS"	a gravity separation process using a solid/liquid suspension
"diabase"	a mafic, holocrystalline, subvolcanic rock equivalent to volcanic basalt or plutonic gabbro
"diamond drilling"	method of obtaining a core of sub-surface rock by rotary drilling with a diamond impregnated bit
"diamondiferous"	containing diamonds
"Diamond Reserves"	the economically mineable material derived from a Measured and/or Indicated Diamond Resource
"Diamond Resource"	a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction
"dolerite"	a dark igneous rock whose composition cannot be determined with the naked eye
"dolomite"	a carbonate mineral composed of calcium magnesium carbonate CaMg(CO3)2
"draw point"	openings on the sides of the drift going up into a block cave
"drill hole"	method of sampling rock that has not been exposed
"dyke"	a tabular, vertical igneous intrusion
"erosion"	the wearing away of the land surface by the mechanical action of transported debris
"estimation"	the quantitative judgement of a variable
"exceptional diamonds"	stones with a sales value greater than US$5 million each
"exploration"	prospecting, sampling, mapping, diamond drilling and other work involved in the search for mineralisation
"extraction"	refers to the practice of locating, acquiring and selling natural resources
"facies"	the sum total of features of a rock, which characterise the formational environment of that rock
"fault"	a fracture in rocks along which rocks on one side have been moved relative to the rocks on the other side
"feasibility study"	a definitive engineering estimate of all costs, revenues, equipment requirements and production levels likely to be achieved if a mine is developed; the study is used to define

	the economic viability of a project and to support the search for project financing
"fissure"	a colloquial term for a kimberlite dyke
"g"	gramme
"Ga"	one billion years
"gabbro"	a coarse-grained, dark-colored, intrusive igneous rock, which is usually black or dark green in color and composed mainly of the minerals plagioclase and augite
"garnet"	a silicate mineral; the magnesium-rich variety, pyrope, is commonly found in kimberlites
"GB"	granite breccia
"geophysical"	prospecting techniques which measure the physical properties (magnetism, conductivity, density, etc.) of rocks and define anomalies for further testing
"gneiss"	a rock formed by high-grade regional metamorphic processes from pre-existing formations that were originally either igneous or sedimentary rocks; usually medium- to coarse-foliated and largely recrystallised
"grade"	the content of diamonds, measured in carats, within a volume or mass of rock
"granite"	a medium to coarse-grained felsic intrusive rock that contains 10 per cent to 50 per cent quartz
"gravel"	loosely compacted coarse sediment
"Gross Reserves"	Proved Reserves and Probable Reserves
"Gross Resources"	Measured Resources, Indicated Resources and Inferred Resources
"Group I kimberlite"	Group I kimberlites contain ilmenite as an accessory mineral and have an approximate age of 80 million years. Koffiefontein and Cullinan are examples of Group I kimberlites
"Group II kimberlite"	otherwise known as orangeites or micaceous kimberlites, Group II kimberlites do not contain ilmenite as an accessory mineral. The absence of ilmenite indicates that a Group II kimberlite has different sources of magma and perhaps intrusion history to Group I and it is thought to have been formed by contamination of kimberlitic magma during its passage through the Earth's crust. Group II kimberlites have an approximate age of 120 million years old. The Fissure Mines and Finsch are examples of Group II kimberlites
"Ha" or "hectare"	hectare, equal to 10,000 square metres

"hypabyssal"	an igneous rock that originates at medium to shallow depths within the crust and contains intermediate grain size and often porphyritic texture
"ilmenite"	weakly magnetic titanium-iron oxide mineral; (FeTiO3)
"igneous rocks"	rocks formed by the solidification from a molten or partially molten state
"Indicated Resource"	that part of a diamond resource for which tonnage, densities, shape, physical characteristics, grade and average diamond value can be estimated with a reasonable level of confidence. It is based on exploration sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed and sufficient diamonds have been recovered to allow a confident estimate of average diamond value (SAMREC Code)
"Inferred Resource"	that part of a diamond resource for which tonnage, grade and average diamond value can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified by geological and/or grade continuity and a sufficiently large diamond parcel is not available to ensure reasonable representation of the diamond assortment. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability (SAMREC Code)
"in situ"	in its original place; most often used to refer to the location of the mineral resources
"intrusive"	refers to a body of igneous rock that has solidified within a package of pre-existing rocks
"Kaapvaal Craton"	an area of ancient, thickened continental crust that covers approximately 1.2 million km2 in southern Africa and is joined to the Zimbabwe Craton to the north by the Limpopo Belt; with an age of 3.6 to 2.5 Ga it is some of the oldest crust preserved on the planet, and is host to numerous diamondiferous kimberlites
"Karoo"	geological period, approximately 300 Ma to 80 Ma ago
"kimberlite"	a brecciated ultrabasic igneous rock containing phlogopite mica, bronzite pyroxene and ilmenite; kimberlites may or may not contain diamonds
"KIM" or "Kimberlite Indicator Minerals"	kimberlite indicator minerals—diamonds, garnets, and several other minerals, the presence of which are used to identify kimberlitic rocks
"kl"	kilolitre, equal to a thousand litres

"km"	kilometre, equal to a thousand metres
"km^2" or "sq km"	square kilometres
"Koepe winder"	a system where the winding drum is replaced by a large wheel or sheave. Both cages are connected to the same rope, which passes around some 200 degrees of the sheave in a groove of friction material
"ktpa"	thousand tonnes per annum
"kv"	kilovolts, equal to a thousand volts
"lava"	molten rock expelled by a volcano during an eruption and the resulting rock after solidification and cooling
"LHDs"	load haul dump trucks
"LOM"	life of mine
"m"	metre
"m^2"	a square metre
"m^3"	a cubic metre
"m^3/s"	cubic metre per second
"mm"	millimetre
"Ma"	one million years
"magnetite"	a ferrimagnetic mineral (Fe3O4); one of several iron oxides and a member of the spinel group
"Mctpa"	million carats per annum
"Mcts"	million carats
"Measured Resource"	that part of a diamond resource for which tonnage, densities, shape, physical characteristics, grade and average diamond value can be estimated with a high level of confidence. It is based on detailed and reliable exploration sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity and sufficient diamonds have been recovered to allow a confident estimate of average diamond value.
"meta-sediments"	metamorphosed sediments
"Metric Carat or CM"	0.2 grams
"milling plant"	crushing plant; milling implies finer grinding
"mineable"	that portion of a resource for which extraction is technically and economically feasible

"mineral"	a naturally occurring solid chemical substance formed through biogeochemical processes, having characteristic chemical composition, highly ordered atomic structure, and specific physical properties
"mineralisation"	the presence of a target mineral in a mass of host rock
"mL"	metre level
"MPa"	megapascals; a measure of force per unit area used to express rock strength
"Mt"	million tonnes
"Mtpa"	million tonnes per annum
"mudstone"	sedimentary rock comprised predominantly of very fine grained particles of less than four microns
"MVA"	a million volt amps
"Mw"	megawatts
"NAV"	Net asset value
"norite"	a mafic intrusive igneous rock composed largely of the calcium-rich plagioclase labradorite and hypersthene with olivine
"NPV"	Net present value
"open stoping"	a stoping method of mining, in which the excavation is left as a permanent void, with or without artificial support
"opencast" or "open pit"	mining in which ore that occurs close to the Earth's surface is extracted from a pit or quarry
"orebody"	a continuous well-defined mass of material of sufficient ore content to make extraction feasible
"orepass"	vertical or near-vertical passages for the transfer of ore
"overburden dumps"	the natural rock and soil that sits above and around the ore body, which is not subject to any chemical processes at the mine but needs to be removed to allow access to the ore
"pa"	per annum
"parcel"	a collection of diamonds of various sizes made available for sale as a single package
"PCBC"	GEOVIA PCBC, a highly sophisticated software package designed specifically for the planning and scheduling of block cave mining operations
"PCBC Model"	the model that is created using the PCBC software

"PCSLC"	a highly sophisticated software package designed specifically for the planning and scheduling of sub-level cave mining operations
"post-79 tailings"	tailings accumulated post-1979 at Finsch after a major plant upgrade
"pre-79 TMR"	tailings accumulated pre-1979 at Finsch
"Precambrian"	all geological time and its corresponding rocks prior to 570 Ma ago
"PRF"	Plant Recovery Factor
"primary deposit"	with reference to the deposition of diamonds, these deposits include kimberlite pipes, dykes, blows and fissures as well as lamproites; contrasted with alluvial
"primary gravel"	potentially diamondiferous alluvial gravels derived from primary deposits
"Probable Reserves"	the economically mineable material derived from a measured and/or indicated diamond resource. It is estimated with a lower level of confidence than a proved reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
"Proved Reserves"	the economically mineable material derived from a measured diamond resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified
"pyroclastic"	clastic rocks composed solely or primarily of volcanic materials
"quartz"	mineral species composed of crystalline silica
"quartzites"	a hard, non-foliated metamorphic rock composed almost entirely of quartz
"rehabilitation"	the process of restoring mined land to a condition approximating to a greater or lesser degree its original state

"Reserves"	see 'Probable Reserves' and 'Proven Reserves'
"Resources"	see 'Measured Resource', 'Indicated Resource' and 'Inferred Resource'
"reverse circulation"	a method of percussion drilling or diamond drilling where the drilling fluid is returned to the start of the whole inside the drill rods
"rim loading section"	additional loading points situated on the undercut level of a block cave, usually at the geological contact between the orebody and the country rock
"ring blasting"	long hole drilling and blasting technique used in sub level caving and to initiate caving in block caving
"ROM"	run-of-mine
"RVK"	resedimented volcaniclastic kimberlite
"sample"	a small amount of material pertaining to a mineral deposit, which is used to estimate the grade of the deposit and other geological parameters
"sampling"	taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content)
"sandstone"	sedimentary rock comprised predominantly of fine grained particles of between 2 mm and 0.6 mm
"sedimentary rock"	rocks formed by deposition of particles carried by air, water or ice, formed by participation of minerals from water
"shaft"	an underground vertical or inclined excavation, generally used for access, ventilation and ore transport
"shale"	a fine-grained, clastic sedimentary rock composed of mud that is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals, especially quartz and calcite
"sill"	a sheet like body of igneous rock that is conformable to the strata that it has intruded
"siltstone"	sedimentary rock comprised predominantly of fine grained particles of between 0.06 mm and 4 microns
"sink"	high density material in which diamonds are concentrated
"SLC"	sublevel cave; follows the same basic principles as the block caving mining method, however, work is carried out on intermediate levels and the caves are smaller in size and not as long lasting. This method of mining is quicker to bring into production than block caving, as the related infrastructure does not require the level of permanence needed for a long-term block cave. This method is used to

	supplement block caving in order to provide production flexibility
"slimes"	the fine fraction of tailings discharged from a processing plant without being treated; in the case of diamonds, usually that fraction which is less than 1mm in size
"slimes dam"	a storage facility for all fine waste products from the processing plant
"slot cutting"	creating an initial void and free breaking point for ring basting, usually by a combination of raise boring and blasting
"slurry"	a thick suspension of solids in a liquid
"slusher"	a scraper winch (a bucket connected to a block and tackle system used to move broken rock on the footwall of an excavation)
"slusher drift block cave"	a block cave where draw points are not loaded individually, but are allowed to empty into a drift that is cleaned by a slusher (or a scraper winch)
"stockpile"	a store of unprocessed ore
"strata"	a layer of rock or soil with internally consistent characteristics that distinguish it from other layers, usually sedimentary in origin
"stress"	the average amount of force exerted per unit area
"strike"	the strike line of a bed, fault, or other planar feature is a line representing the intersection of that feature with a horizontal plane
"subsidence"	the motion of a surface as it shifts downward relative to a datum
"sump"	an excavation created at a low point in an open pit to collect ground water seeping into the pit as well as precipitation over the footprint of the open pit from where it is pumped out of the open pit to avoid flooding of the working areas
"SWPC Resource"	South West Precursor Resource (a section of the Finsch orebody adjacent to the main Finsch pipe)
"t"	metric tonne
"tailings"	material left over after processing ore
"tailings dump"	dumps created of waste material from processed ore after the economically recoverable metal or mineral has been extracted
"TD"	tailings deposit
"tillite"	unsorted glacial sediment

"tonnage"	quantities where the tonne is an appropriate unit of measure; typically used to measure Reserves of target commodity bearing material or quantities of ore and waste material mined, transported or milled
"TFK"	Transitional Facies Kimberlite
"TMR"	tailings mineral resource
"tpa"	tonnes per annum
"Tpd"	tonnes per day
"tph"	tonnes per hour
"tpm"	tonnes per month
"Transvaal Supergroup"	a sequence of sedimentary rocks in Southern Africa deposited between 2.65 and 2.05 Ga
"turbidite deposit"	geological formations from a form of underwater avalanche that are responsible for distributing vast amounts of clastic sediment into the deep ocean
"Type II diamonds"	Type II diamonds are defined by containing no detectable nitrogen and are often colorless or brown
"uniaxial compressive strength"	a measure of a material's strength, being the maximum axial compressive stress that a right-cylindrical sample of material can withstand before failing
"vent"	an opening in the Earth's surface through which igneous rocks are extruded
"Ventersdorp Supergroup"	late Archaean-early Proterozoic low-grade metamorphosed supracrustal succession of volcano-sedimentary lithologies
"volcaniclastic"	describes a sedimentary rock composed of fragments of volcanic rocks
"wall rock"	the country rock, or surrounding rock of an orebody
"weathering"	in-situ chemical and mechanical processes that decompose rocks
"XPAC"	an open pit mine planning software
"X-ray"	a form of electromagnetic radiation
"yield / recovered grade"	the actual grade of ore realized after the mining and treatment process

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