

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares or depositary interests, please send this document, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



(Incorporated in the British Virgin Islands with registered number 669758)

NOTICE OF ANNUAL GENERAL MEETING

TO BE HELD ON TUESDAY, 4 JUNE 2019 AT 9:30 AM

AT LINKLATERS LLP, ONE SILK STREET, LONDON EC2Y 8HQ

Notice of the 2019 Annual General Meeting of Gem Diamonds Limited to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 9:30 am on Tuesday, 4 June 2019, is set out on page 4 of this document.

This year, you will not receive a form of proxy or form of direction for the Annual General Meeting in the post. Details on how you can vote are included under the 'Important notes' on pages 7 and 8 of this document.

All references to dates and times are to London dates and times unless stated otherwise.

Shareholders and holders of depositary interests are requested to vote, whether or not they intend to be present at the Annual General Meeting.

Notice of Annual General Meeting continued

Gem Diamonds Limited

(Gem Diamonds or the Company)

(Incorporated in the British Virgin Islands with registered number 669758)

Registered office

Ground Floor
Coastal Building
Wickham's Cay II
Road Town
PO Box 2136
Carrot Bay
Tortola
British Virgin Islands
VG1130

29 April 2019

To the shareholders and holders of depositary interests of Gem Diamonds Limited

NOTICE OF ANNUAL GENERAL MEETING 2018

Dear shareholder,

It gives me great pleasure to invite you to attend the twelfth Annual General Meeting of Gem Diamonds, which we are holding at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 9:30 am on 4 June 2019.

The 2018 UK Corporate Governance Code (the Code) has now come into force for financial years beginning on or after 1 January 2019. In 2018 the Board commenced work in readiness for the implementation of the new Code and any processes and procedures required to ensure the Company is fully compliant with the new Code have been identified. Reviews of the matters reserved for the Board and the Committees' terms of reference are underway and a thorough external Board evaluation has taken place. A summary of the outcome of the evaluation exercise is set out below.

During the year the Audit Committee, with the aim of improving efficiencies and reducing costs, considered and recommended to the Board the appointment of Ernst & Young Inc. as the Company's Auditor. On 4 February 2019, the Board appointed Ernst & Young Inc. and Ernst & Young LLP resigned, confirming to the Company that there were no circumstances in connection with its resignation which it considers need to be brought to the attention of the Company's members or creditors. The appointment of Ernst & Young Inc. is being put to shareholders at this Annual General Meeting for approval.

As set out in the Company's Articles of Association, Johnny Velloza, who was appointed as a Director during the year, will be standing for election by the shareholders at the Annual General Meeting and all remaining Directors will be retiring and offering themselves for re-election. The Board is of the view that each of the Directors being proposed for re-election, following formal performance evaluation, continues to be effective in their role and to be committed to making available the appropriate time for Board meetings and other duties, and has been and continues to be important to the Company's long-term sustainable success. Biographies of each of the Directors can be found on pages 10 to 12 of this document.

During the first quarter of 2019, an externally facilitated performance evaluation of the Board was carried out by an independent external consultant, Prism Boardroom. Prism Boardroom has no other connection with the Company. The scope of the evaluation was determined following a review of Board and Committee papers, minutes, previous evaluations of the Board and other relevant documents. One-to-one interviews were held with each of the Directors during March 2019. A report prepared by Prism Boardroom, with recommendations, will be discussed by the Board at the June 2019 Board meeting, at which time a small number of actions are expected to be considered and agreed. The initial conclusion of the evaluation is that the Board is working well. A more in-depth summary of the evaluation outcomes will be included in the 2019 Annual Report.

Notice of Annual General Meeting continued

This document includes the Notice of Annual General Meeting in which we have set out the resolutions that shareholders are being asked to vote on. Resolutions 1 to 11 are ordinary resolutions and relate to more standard business matters and include a resolution relating to remuneration in 2018. Resolutions 12 to 14 are special resolutions and are proposed because they enable your Directors to take advantage of business opportunities as they arise.

An explanation of the business to be conducted at the meeting is included on pages 9 to 14 of this document.

Your Board considers that the proposals described in this document are in the best interests of the Company and its shareholders and holders of depositary interests as a whole and your Board unanimously recommends that shareholders and holders of depositary interests vote in favour of the resolutions. Those Directors who hold ordinary shares in the Company each intend to vote their shares in favour of the resolutions to be proposed at the Annual General Meeting (other than in respect of their own re-election as a Director).

I would also encourage shareholders and holders of depositary interests to exercise their right to vote on the business of the meeting in the following ways:

- ▶ you will not receive a hard copy proxy form for the 2019 Annual General Meeting in the post unless you request one. You can instead submit your proxy vote electronically by accessing the shareholder portal at www.signalshares.com, logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password, you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code ('IVC') which can be found on your share certificate. Proxy votes should be submitted as early as possible and, in any event, no later than 48 hours before the start of the meeting (excluding weekends and public holidays), ie by 9:30 am on 31 May 2019. Submission of a proxy vote will not preclude you from attending the Annual General Meeting and voting in person should you subsequently find that you are able to be present. You may request a hard copy proxy form directly from the Registrars, using the online portal at www.signalshares.com or by email at enquiries@linkgroup.co.uk or by post at Link Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
- ▶ depositary interest holders may instruct the depositary on how to vote by utilising the CREST electronic voting service. To instruct the depositary on how to vote on or amend an instruction to vote via the CREST system, the CREST message must be received by Link Asset Services (CREST ID RA10) by 9:30 am on 30 May 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings please refer to the CREST manual.

We have announced our results for the year ended 31 December 2018, the details of which can be found in our Annual Report online at www.gemdiamonds.com. On our website you will also find our Online Sustainability Reporting Platform, which we believe gives shareholders an informative and helpful insight into the Company's approach to corporate social responsibility.

The Annual General Meeting provides shareholders with an opportunity to communicate with, and ask questions of, their Board and I hope that you will make use of this. I do hope you will be able to attend the Annual General Meeting and look forward to seeing you.

Yours sincerely

Harry Kenyon-Slaney
Chairman

Notice of Annual General Meeting continued

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twelfth Annual General Meeting of Gem Diamonds Limited will be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ, at 9:30 am on Tuesday, 4 June 2019, to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12 to 14 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

Reports and Accounts

- 1 THAT the Audited Accounts of the Company for the year ended 31 December 2018, together with the Directors' Report and the Auditors' Report thereon, be received.

The Annual Report on Remuneration

- 2 THAT the Annual Report on Remuneration, including the Remuneration Committee Chair's statement, as included in the Annual Report for the year ended 31 December 2018, be approved.

Appointment of Auditor

- 3 THAT Ernst & Young Inc. be appointed as Auditor of the Company (the 'Auditor'), to hold office until the conclusion of the next general meeting of the Company at which accounts are laid before the Company.

Remuneration of Auditor

- 4 THAT the Directors be authorised to set the remuneration of the Auditor.

Re-election and election of Directors

- 5 THAT Mr Harry Kenyon-Slaney be re-elected as a Director.
- 6 THAT Mr Mike Brown be re-elected as a Director.
- 7 THAT Mr Michael Lynch-Bell be re-elected as a Director.
- 8 THAT Mr Clifford Elphick be re-elected as a Director.
- 9 THAT Mr Michael Michael be re-elected as a Director.
- 10 THAT Mr Johnny Velloza be elected as a Director.

Authority to allot shares

- 11 THAT, in substitution for any existing authority to allot relevant equity securities, which is hereby revoked, but without prejudice to any allotment of securities made pursuant thereto, the Directors be and are hereby generally and unconditionally authorised for the purposes of Article 3.1 of the Company's Articles of Association to exercise all the powers of the Company to allot shares or to grant rights to subscribe for, or convert any security into, shares up to an aggregate nominal amount of US\$463 051 (representing an amount equal to 33.33% of the Company's issued share capital as at 23 April 2019 (the 'Allotment Amount')) during the period commencing on the date of the passing of this ordinary resolution and expiring at the conclusion of the next Annual General Meeting of the Company, or, if earlier, at the close of business on 30 June 2020 (the 'Allotment Period'), save that the Directors may, before the expiry of such Allotment Period, make offers or enter into agreements which would or might require relevant equity securities to be allotted after such expiry and, notwithstanding such expiry, the Directors may allot relevant equity securities in pursuance of such offers or agreements.

Notice of Annual General Meeting continued

SPECIAL RESOLUTIONS

Disapplication of pre-emption rights

12 THAT, subject to the passing of resolution 11, in substitution for any existing authority to disapply pre-emption rights, which is hereby revoked, but without prejudice to any allotment or issue of securities made pursuant thereto, the Directors be and are hereby authorised to allot and issue equity securities (and/or to sell ordinary shares held by the Company as treasury shares) for cash pursuant to the authority conferred by resolution 11 without first having offered such equity securities to existing shareholders and depositary holders, provided that this power shall be limited:

- (a) to the allotment of equity securities (and/or sale of treasury shares) in connection with an offer or issue of, or invitation to apply for, equity securities in favour of:
 - (i) ordinary shareholders where the equity securities respectively attributable to the interests of the ordinary shareholders (other than the Company) are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them; and
 - (ii) holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary, and so that in both cases the Directors may impose any limits, exclusions or restrictions and make any arrangements which they deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in, or under the laws of, or the requirements of, any relevant regulatory body or stock exchange in any territory, or any other matter; and
- (b) to the allotment (otherwise than pursuant to paragraph (a) above) of equity securities (and/or sale of treasury shares) up to a total aggregate nominal amount of US\$69 465 (representing an amount (equal to 5%) of the issued share capital as at 23 April 2019);

such power to apply until the end of the Company's next Annual General Meeting (or, if earlier, until the close of business on 30 June 2020) but, in each case, prior to its expiry the Directors may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not expired.

Specific power to disapply pre-emption rights in connection with an acquisition or specified capital investment

13 THAT, subject to the passing of resolution 11, the Directors be and are hereby empowered, in addition to any power granted under resolution 12, to allot equity securities (for cash pursuant to the authority given by resolution 11 and/or to sell ordinary shares held by the Company as treasury shares for cash without first having offered such equity securities to existing shareholders and depositary holders), provided that this power shall be:

- (a) limited to the allotment of equity securities (and/or sale of treasury shares) up to a total aggregate nominal amount of US\$69 465 (representing an amount (equal to 5%) of the issued share capital as at 23 April 2019); and
- (b) used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of the Notice,

such power to expire at the end of the Company's next Annual General Meeting (or, if earlier, at the close of business on 30 June 2020) but, in each case, prior to its expiry the Directors may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell treasury shares) pursuant to any such offer or agreement as if the power had not expired.

Notice of Annual General Meeting continued

Purchase of own shares

- 14 THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Article 10.1 of the Company's Articles of Association to purchase, redeem or otherwise acquire ordinary shares in the Company in such manner and upon such terms as the Directors may determine during the period commencing on the date of the passing of this special resolution and expiring at the conclusion of the next Annual General Meeting of the Company held in 2020 or, if earlier, at the close of business on 30 June 2020, unless revoked, renewed or varied during that period, provided that:
- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 13 892 911; (representing an amount equal to 10% of the Company's issued share capital as at 23 April 2019);
 - (b) the minimum price which may be paid for an ordinary share is US\$0.01 per share;
 - (c) the maximum price which may be paid for a share is the higher of:
 - (i) 105% of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List during the five business days immediately prior to the date of purchase; and
 - (ii) an amount equal to the higher of the price of the last independent trade of a share and the highest current independent bid as stipulated by Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation; and
 - (d) this authority shall allow the Company to purchase shares after the expiry of this authority under any agreement made before the expiry of this authority, as if the authority hereby conferred had not expired.

By order of the Board

Glenn Turner
Company Secretary

29 April 2019

Registered office

Ground Floor
Coastal Building
Wickham's Cay II
Road Town
Carrot Bay
Tortola
British Virgin Islands
VG1130

London office

2 Eaton Gate
London
SW1W 9BJ
United Kingdom

(Incorporated in the British Virgin Islands with registered number 669758)

Notice of Annual General Meeting continued

IMPORTANT NOTES

The following notes explain the general rights of shareholders and holders of depositary interests and the rights to attend and vote at the Annual General Meeting or to appoint someone else to vote on their behalf.

Holders of ordinary shares

1. A member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. A shareholder may appoint the Chairman to vote, as per the shareholder's voting instructions, or at the Chairman's discretion as he shall see fit if the shareholder has expressly authorised the Chairman under the 'Discretion to Chairman' option in the voting instructions. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they may do so at www.signalshares.com and if paper proxy forms are required, the member should contact the Registrar's helpline on 0871 664 0300 (calls cost 12p per minute plus network extras). If you are outside the United Kingdom, please call +44 371 664 0300 (calls will be charged at the applicable international rate). Offices are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Submission of a proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.
2. To be effective, the proxy vote must be submitted at www.signalshares.com, the Company's Registrar, no less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it. Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrar, Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4TU. If you need help with voting online, or require a paper proxy form, please contact the Company's Registrar, Link Asset Services by email at enquiries@linkgroup.co.uk, or you may call Link on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK. Link is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Submission of a proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.
3. If a share is held by joint shareholders and more than one of the joint shareholders vote (including by way of proxy), the only vote that will count in respect of those joint shareholders is the vote of the person whose name is listed before the other joint shareholder(s) on the register.
4. Any person to whom this notice is sent who is a person nominated under Article 144.5 of the Articles of Association to enjoy information rights (a nominated person) may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a nominated person has no such right to be appointed or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1 and 2 above does not apply to nominated persons. The rights described in these notes can only be exercised by shareholders of the Company.
6. Only those shareholders entered on the register as at the close of business on 31 May 2019 (or, if the Annual General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting) will be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. In each case, changes to entries on the register after such time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

Holders of depositary interests

7. You will not receive a form of direction for the Annual General Meeting in the post. Depositary Interests may be voted through the CREST proxy voting service in accordance with the procedures set out in the CREST manual.
8. In the case of depositary interest holders, a form of direction may be requested and completed in order to instruct Link Market Services Trustees Limited, the Depositary, to vote on the holder's behalf at the meeting by proxy or, if the meeting is adjourned, at the adjourned meeting. If you need help with voting online, or require a paper form of direction, please contact our Registrar, Link Asset Services by email at enquiries@linkgroup.co.uk, or you may call Link on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK. Link is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Notice of Annual General Meeting continued

9. To be effective, a valid form of direction (and any power of attorney or other authority under which it is signed) must be received electronically or delivered to Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later 09.30 am on 30 May 2019) or 72 hours before any adjourned meeting. You must be registered as holder of the depositary interests as at close of business on 30 May 2019 for your form of direction to be valid.
10. The Depositary will appoint the Chairman of the meeting as its proxy to cast your votes. The Chairman may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting. The 'Vote Withheld' option is provided to enable you to abstain from voting on the resolutions. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
11. Depositary interest holders wishing to attend the meeting should contact the Depositary at Link Market Services Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 or by email by using CAGtrustees@linkgroup.co.uk by no later than 09.30 am on 30 May 2019.

Corporate representatives

12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

Before the meeting

13. Members should note that the doors to the Annual General Meeting will be open at 9.00 am.
14. Mobile phones may not be used in the meeting hall, and cameras, tape or video recorders are not allowed in the meeting hall.

Questions

15. Any shareholder or holder of depositary interests attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Website information

16. A copy of this notice can be found at www.gemdiamonds.com.

Voting rights and results

17. As at 23 April 2019 (being the last practicable date prior to the publication of this notice), the Company's issued shares consist of 138 929 114 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 23 April 2019 are 138 929 114.
18. As soon as practicable following the Annual General Meeting, the results of the voting at the Annual General Meeting and the numbers of proxy votes cast for and against, and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and will also be placed on the Company's website at www.gemdiamonds.com. A summary of the business transacted will also be available, on written request, from the Company Secretary at the Company's London office.
19. The following documents will be made available for inspection at the Company's registered office during normal business hours and at least 15 minutes prior to and during the Annual General Meeting:
 - (a) All Directors' service contracts or letters of appointment; and
 - (b) Memorandum and Articles of Association (unchanged from last year).
20. You may vote your shares electronically at www.signalshares.com. On the home page, search 'Gem Diamonds Limited' and then log in or register, using your Investor Code. To vote, click on the 'Vote Online Now' button.

Notice of Annual General Meeting continued

EXPLANATORY NOTES TO THE RESOLUTIONS

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 11 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

Resolutions 12 to 14 are proposed as special resolutions. This means that for each of those resolutions to be passed at least 75% of the votes cast must be in favour of the resolution.

ORDINARY RESOLUTIONS

Company Accounts and Reports of the Directors and Auditors (resolution 1)

The first item of business is the requirement for shareholders to receive the Company's Accounts and the Reports of the Directors and Auditors for the financial period ended 31 December 2018. Shareholders will have the opportunity to put any questions to the Directors before the resolution is proposed to the meeting.

The Annual Report on Remuneration (resolution 2)

Shareholders will be asked to approve the Annual Report on Remuneration found on pages 79 to 89 of the Annual Report for the year ended 31 December 2018, as well as the Remuneration Committee Chair's statement as included on pages 70 and 71 of the Annual Report (together, the 'Remuneration Report'). The approval of shareholders is requested in an advisory role only. The Remuneration Report gives details of remuneration of the Directors for the year under review. The Auditor has audited certain parts of the Remuneration Report and its report may be found on pages 95 to 97 of the Annual Report.

Appointment of Auditor (resolution 3)

The Company is required to appoint an Auditor at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next meeting. The Audit Committee reviewed the audit process with the aim of optimising the process, efficiencies and costs. In line with this, the Board appointed EY South Africa (Ernst & Young Inc.) as its new Auditor on 4 February 2019. Ernst & Young Inc. has undertaken the audit for the 2018 financial year and its appointment is now subject to approval by shareholders. Ernst & Young LLP resigned on 4 February 2019 and confirmed to the Company that there are no circumstances in connection with its resignation which it considers need to be brought to the attention of the Company's members or creditors. Accordingly, resolution 3 will, if passed, appoint Ernst & Young Inc. as auditors to the Company.

Remuneration of the Auditor (resolution 4)

Resolution 4, if passed, authorises the Directors of the Company to set the remuneration of the Auditors as recommended by the Audit Committee.

Election and re-election of Directors (resolutions 5 to 10)

Under Article 79 of the Company's Articles of Association, each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which they were elected or last re-elected but, unless otherwise agreed, shall be eligible for re-election. Under Article 80 of the Company's Articles of Association, new Directors are only eligible for appointment if nominated by the Board. In addition, as a UK listed company, the Board has agreed that in accordance with the UK Corporate Governance Code Provision 18, the whole Board will offer themselves for re-election each year. All the current Directors will be retiring and offering themselves for election or re-election in 2019.

Notice of Annual General Meeting continued

Mr Johnny Velloza, having been appointed during the year, will be standing for election by the shareholders, having been nominated by the Board. Johnny Velloza resigned as an Executive Director of the Company on 15 September 2018, having taken up a position as Joint Chief Executive Officer in a large copper and cobalt company operating in the DRC. However, he has continued to support the Company as a Non-Executive Director from that date.

Biographical details of each of the Directors retiring at the Annual General Meeting who wish to seek election, or are standing for election for the first time, are as follows:

NON-EXECUTIVE DIRECTORS

Harry Kenyon-Slaney (57)

Non-Executive Chairman

BSc Geology (Southampton University); International Executive Programme (INSEAD France)

Harry Kenyon-Slaney is currently a senior adviser to McKinsey & Co and has over 33 years' experience in the mining industry, principally with Rio Tinto. He is a geologist by training and his experience spans operations, marketing, projects, finance and business development. He has worked in South Africa, Australia and the UK. Harry is also a member of the Boards of Directors of Petropavlovsk Plc and Schenck Process AG, an independent Non-Executive Director of Sibanye Gold Limited and a Non-Executive Director of several private companies. Until 2015, Harry was a member of the Group Executive Committee of Rio Tinto where he held the roles of CEO of Energy, and before that CEO of Diamonds and Minerals. Prior to this he variously led Rio Tinto's global titanium dioxide business, was CEO of Rio Tinto's listed subsidiary, Energy Resources of Australia Limited, was GM operations at Palabora Mining Company in South Africa and held senior marketing roles in copper, uranium and industrial minerals. He began his career as an underground geologist with Anglo American on the gold mines in South Africa.

Appointed

Harry was appointed to the Gem Diamonds Board in June 2017.

Key skills and experience

Commercial and capital markets, public company board governance and government stakeholder engagement.

Board committee membership

Chairman of Nominations Committee and member of Audit, Remuneration and HSSE Committees.

Mike Brown (58)

Non-Executive Director

BSc Eng, Mining PR Eng (ECSA) Engineering (University of Witswatersrand); Strategic Executive Programme (London Business School)

Mike has over 35 years' experience in the resources industry in operational, senior management and director roles. He spent six years in Switzerland as the Managing Director Technical at Pala where he oversaw all technical aspects of the investments, including the risks associated with resource performance, project management, ramp-up operations and the associated working capital and financial controls. Prior to joining Pala, Mike spent 21 years with De Beers in southern Africa in various roles culminating in the post of Chief Operating Officer where he was accountable for five operating mines, including greenfield and brownfield growth projects. He also managed the restructuring at De Beers Consolidated Mines (DBCM) in 2005/2006 and again in 2009. Mike has overseen growth projects and building of mines in Namibia, South Africa, Sierra Leone, Vietnam and USA. Mike is currently a Non-Executive Director of Nevada Copper.

Notice of Annual General Meeting continued

Appointed

Mike was appointed to the Gem Diamonds Board in January 2018.

Key skills and experience

Operational, resource performance, project growth and finance.

Board committee membership

Chairman of the HSSE Committee and member of the Nomination, Audit and Remuneration Committees.

Michael Lynch-Bell (65)

Senior Independent Director

BBA Hons Economics and Accountancy (University of Sheffield); FCA of the ICAEW

Michael spent a 38-year career with Ernst & Young Inc. (EY) having led its Global Oil and Gas, UK IPO and Global Oil and Gas and Mining transaction advisory practices. He was a member of the assurance practice from 1974 to 1996 when he transferred to the Transaction Advisory Practice. He was also a UK Alumni sponsor and a member of the firm's EMEA and Global Advisory Councils. He retired from EY as a partner in 2012 and continued as a consultant to the firm until November 2013. Michael is currently Deputy Chair and Senior Independent Non-Executive Director at Kaz Minerals Plc, Chair of Seven Energy International, Chair of the Audit Committee at Lenta Limited Non-Executive Director of Barloworld Limited. Michael is also a Director of Little Green Pharma Limited and Little Green Pharma AG: both private companies.

Appointed

Michael was appointed to the Gem Diamonds Board in December 2015.

Key skills and experience

Finance and capital markets; oil and gas; mining and metals.

Board committee membership

Chairman of the Audit and Remuneration Committees and member of Nomination and HSSE Committees.

Johnny Velloza (48)

Non-Executive Director

BSc (Mining & Mineral Engineering) – University of Johannesburg; BSc (Business/Commerce, General) – University of South Africa.

Johnny is a mining engineer with broad mining experience in both open pit and underground operations across southern and East Africa, Chile and Australia. Johnny has worked in a number of different commodities including iron ore, copper, gold and diamonds. Johnny has held senior operational management roles in large mining companies, including De Beers, AngloGold Ashanti and BHP Billiton. Since starting his career twenty-five years ago, Johnny has gained experience in exploration, feasibility studies, opening new mines and running mines. Johnny left his executive role with Gem Diamonds in September 2018 to take up the role of CEO in a copper/cobalt company in the DRC. Johnny is a Non-Executive Director at Zanaga Iron Ore Co. Limited.

Notice of Annual General Meeting continued

Appointed

Johnny was appointed to the Gem Diamonds Board in May 2016 as Chief Operating Officer. He became an Executive Director in July 2018 before becoming a Non-Executive Director in September 2018.

Key skills and experience

Mining industry, operations and commercial.

Board committee membership

Member of the HSSE Committee.

EXECUTIVE DIRECTORS

Clifford Elphick (58)

Chief Executive Officer

BCom (University of Cape Town); BCompt Hons (University of South Africa)

Clifford joined Anglo American Corporation in 1986 and was seconded to E. Oppenheimer and Son as Harry Oppenheimer's personal assistant in 1988. In 1990, he was appointed Managing Director of E. Oppenheimer and Son, a position he held until leaving in December 2004. During that time, Clifford was also a Director of Central Holdings, Anglo American and DB Investments. Following the privatisation of De Beers in 2000, Clifford served on the De Beers Executive Committee. Clifford is also the non-Executive Chairman of Zanaga Iron Ore Co. Limited.

Appointed

Clifford formed Gem Diamonds in July 2005.

Key skills and experience

Diamond and mining industries and commercial and capital markets.

Board committee membership

Nominations Committee.

Michael Michael (48)

Chief Financial Officer

BCom Hons (Rand Afrikaans University); CA(SA)

Michael has over 20 years' experience in financial management. He joined RSM Betty & Dickson (Audit Firm) in Johannesburg, South Africa, in January 1993 and became Audit Partner at the firm in March 2000. In August 2006 to February 2008 Michael was seconded to Gem Diamonds Limited to assist with the financial aspects of the Main London Listing including the financial reporting, management accounting and tax relating to the IPO. In March 2008 Michael joined Gem Diamonds on a full-time basis.

Appointed

Michael joined Gem Diamonds in March 2008 and was appointed to the Board in April 2013.

Key skills and experience

Finance and capital markets: Diamond industry.

Harry Kenyon-Slaney, Mike Brown and Michael Lynch Bell are classed as 'independent' under Provision 10 of the UK Corporate Governance Code.

Notice of Annual General Meeting continued

Authority to allot shares (resolution 11)

The purpose of resolution 11 is to renew the Directors' authority to allot shares.

Under Article 3.1 of the Company's Articles of Association, the Directors may only allot relevant equity securities with the authority of the shareholders in a general meeting. Relevant equity securities as defined in the Company's Articles of Association include the Company's shares. This ordinary resolution would provide that authority and allow the Directors flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares.

Resolution 11 will, if passed, authorise the Directors to allot relevant equity securities up to an aggregate nominal amount of US\$463 051. This represents 33.33% of the Company's total issued share capital as at 23 April 2019 and reflects the Investment Association (IA) guidance limit of one-third of the Company's issued ordinary share capital. No treasury shares are held by the Company. If the resolution is passed, this authority will expire on the Company's next Annual General Meeting in 2020 or, if earlier, at the close of business on 30 June 2020.

The Directors have no intention at present to exercise this authority other than in relation to the Company's employee share arrangements. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

SPECIAL RESOLUTIONS

Disapplication of pre-emption rights (resolution 12)

Article 3.5 of the Company's Articles of Association prevents the issue of equity securities which are, or are to be, paid up wholly in cash and not first offered to the existing shareholders in proportion to the number of shares held by them at the time of the offer. However, it may be in the interests of the Company for the Directors to issue shares to shareholders free of the restriction imposed by Article 3.5.

Resolution 12 is conditional on the passing of resolution 11 and will be proposed as a special resolution and will, if passed, give the Directors authority to issue equity securities (or sell treasury shares) for cash without first being required to offer them to existing shareholders. If the resolution is passed, this authority will expire on the Company's next Annual General Meeting in 2020 or, if earlier, at the close of business on 30 June 2020.

Resolution 12 will give the Directors authority, in certain circumstances, to allot ordinary shares pursuant to the authority granted under resolution 11, or sell treasury shares, for cash without first offering them to existing shareholders in proportion to their existing shareholding.

The authority would be limited to allotment or sales:

- (a) in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of such securities or as the Directors otherwise consider necessary to deal with certain legal, regulatory or practical difficulties. For example, in a pre-emptive rights issue, there may be difficulties in relation to fractional entitlements or the issue of new shares to certain shareholders, particularly those resident in certain overseas jurisdictions. The Directors consider the authority to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or pre-emptive rights issue having made appropriate exclusions or arrangements to address such difficulties; and
- (b) otherwise up to a maximum nominal value of US\$69 465 (representing 6 946 500 ordinary shares). This aggregate nominal amount represents approximately five per cent of the Company's issued ordinary share capital as at 23 April 2019 (the last practicable date prior to the publication of this Notice).

In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles (which were last amended on 12 March 2015) ('Principles') regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders or in connection with an acquisition or specified capital investment which is announced contemporaneously with the

Notice of Annual General Meeting continued

allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. This approach is endorsed by the Investment Association.

Specific power to disapply pre-emption rights in connection with an acquisition or specified capital investment (resolution 13)

Resolution 13 is proposed as a separate resolution, in accordance with a recommendation of the Pre-emption Group and the IA Guidelines, to authorise the Directors to allot an additional quantity of shares (or sell treasury shares) for cash otherwise than to existing shareholders pro rata to their holdings up to an aggregate nominal amount of US\$69 465, representing a further five per cent of the Company's issued share capital. The additional authority in resolution 13 may be used only in connection with the financing (or refinancing) of an acquisition or specified capital investment. The Principles define 'specified capital investment' as meaning one or more specific capital investment-related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets, the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return. In accordance with the Principles, the Directors confirm that they intend to use the authority sought in resolution 13 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue, and will provide shareholders with information regarding the transaction if the authority is used. Except for allotments under employee share plans, the Board has no present intention of issuing any further ordinary shares pursuant to the new general authorities in resolutions 12 and 13. No issue will be made which would effectively change the control of the Company or the nature of its business without the prior approval of shareholders at a general meeting.

If the resolution is passed, this authority will expire on the Company's next Annual General Meeting in 2020 or, if earlier, at the close of business on 30 June 2020.

Authority to purchase of own shares (resolution 14)

Article 10.1 of the Company's Articles of Association gives a general authority to the Company to purchase its own shares, but that authority is subject to the approval of shareholders. The Directors believe that granting such approval would be in the best interests of shareholders in allowing them the flexibility to react promptly to circumstances requiring market purchases.

Accordingly, resolution 14, which will be proposed as a special resolution, will, if passed, renew the Directors' authority to make one or more market purchases of the Company's shares. The authority contained in this resolution will be limited to a maximum of 13 892 911 ordinary shares having an aggregate nominal value of US\$138 929, which represents 10% of the issued ordinary share capital of the Company as at 23 April 2019. The Company's exercise of this authority is subject to the stated upper and lower limits on the price which may be paid for those shares as set out in resolution 14. This authority will expire at the Company's next Annual General Meeting in 2020 or at the close of business on 30 June 2020, whichever is the earlier.

Shares purchased under this authority may be held as treasury shares. The Company may purchase and hold shares as treasury shares up to a maximum amount equal to 50% of the nominal value of the issued ordinary shares as at the date of purchase, rather than cancelling them. Shares held in treasury in this way can be sold for cash or cancelled, either immediately or at a point in the future, or used for the purposes of the Company's employee share schemes. The Directors believe that it is desirable for the Company to have this choice and therefore intends to hold any shares purchased under this authority as treasury shares. This would allow the Company additional flexibility in the management of its capital base.

Notice of Annual General Meeting continued

The Board has no present intention of exercising this authority. Shares will only be repurchased for the purposes of employee share schemes, or if the Directors consider such purchases to be in the best interests of shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

As at 23 April 2019 (being the latest practicable date prior to the publication of this notice), there were 3 221 573 outstanding options granted under all share option schemes operated by the Company and no outstanding warrants. If exercised, the outstanding options would represent 2.3% of the current issued share capital of the Company (excluding any shares held in treasury). If this authority granted under resolution 14 were exercised in full, that percentage would increase to 2.58%.

