

NOTICE OF ANNUAL GENERAL MEETING 2021



GEM DIAMONDS 

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 WEDNESDAY, 2 JUNE 2021 AT 10:00 AM

AT 2 EATON GATE, LONDON, SW1W 9BJ

Notice of the 2021 Annual General Meeting of Gem Diamonds Limited to be held at 2 Eaton Gate, London, SW1W 9BJ at 10.00 am on Wednesday, 2 June 2021, is set out on page 4 of this document.

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 6 and 7 of this document.

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

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

2nd Floor, Coastal Building
Wickhams Cay II
P.O. Box 2221
Road Town
Tortola
British Virgin Islands

30 April 2021

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

NOTICE OF ANNUAL GENERAL MEETING 2021

Dear shareholder,

The 14th Annual General Meeting ('AGM') of Gem Diamonds will be held on Wednesday 2 June 2021 at 10.00am. Our preference had been to welcome shareholders in person to our 2021 AGM, particularly given the constraints we faced in 2020 due to the coronavirus (Covid-19) pandemic. However, at the date of this Notice of Annual General Meeting (the "Notice of Meeting"), our UK office remains generally closed and, due to international travel restrictions, some of our Board members may be unable to travel to the meeting.

The decision has been made to hold this year's AGM at 2 Eaton Gate, London, SW1W 9BJ. The Board will ensure a quorum is present and we recommend that our shareholders do not attend in person.

We are continuing to monitor developments to the national lockdown restrictions and government guidance. In the event of a relaxation of those restrictions that allows general in-person attendance at the meeting, we will notify shareholders via the Regulatory News Services and our website of any changes to the arrangements made for the meeting, as well as any health and safety measures or requirements that we consider necessary to ensure the safety of any in-person attendees at the meeting.

As was the case last year, given this restricted attendance the AGM this year will be purely functional in format and will address just the formal resolutions detailed in the Notice of Meeting, necessary to enable the Board to conduct the business and affairs of the Company. There will be no discussions or presentations and no opportunity for questions at the meeting. If shareholders have questions, they should be emailed to ir@gemdiamonds.com in advance of the AGM. You will receive a

written response and, if we receive your questions by Friday, 21 May 2021, we will aim to provide answers to such pre-submitted questions on the Company's website before the deadline for proxy appointments, so that you can make a fully informed voting decision.

Voting on all resolutions at the meeting will be conducted by poll vote. Proxy votes should be submitted as early as possible and, in any event, no later than 48 hours before the start of the AGM (excluding weekends and public holidays). Whilst ordinarily lodging a proxy form does not preclude a member from attending and voting at the meeting, as outlined above, due to Covid-19 restrictions, we strongly discourage any additional members over and above the quorum requirement to attend the AGM on 2 June 2021. Members are therefore strongly encouraged to appoint the 'Chairman of the meeting' as their proxy to ensure their votes are included in the poll vote conducted on all resolutions. Please follow the instructions under the 'Important notes' on pages 6 and 7 on how to submit your vote.

We very much regret the need to recommend that shareholders do not attend the AGM this year as we regard the AGM as an important date in the Company's corporate calendar and an important opportunity to engage with shareholders, but it is important that the Company, its employees and shareholders comply with the law and prioritise the steps needed to slow the spread of the virus. Depending on how the Covid-19 situation develops, we will consider convening a further shareholder meeting later in the year.

Throughout the year, the efficacy of our governance processes and policies, together with the Company's culture and values, have proved to be a solid foundation for the Board's decision making ability during the course of a challenging time. We have continued to apply the principles of good governance contained in the UK Corporate Governance Code 2018, and have made voluntary disclosures in relation to the Companies (Miscellaneous Reporting) Regulations 2018.

As the Board undertook an external evaluation of the Board and its Committees in 2019, it was agreed that an internal evaluation of the Board and its Committees was appropriate for 2020. In September 2020, the Board undertook an evaluation facilitated by Bruce Wallace Associates. Details of the findings from the evaluation, together with the recommendations, are detailed in the 2020 Annual Report.

As recently announced, Johnny Velloza will be stepping down from the Board. On behalf of the Board, I would like to thank Johnny for his significant contribution and commitment to Gem Diamonds over the last 5 years. The Company has benefitted from his business acumen, his deep technical expertise and his wide international experience and we are pleased that he will remain involved.

We are delighted to welcome Rosalind Kainyah to the Board of Gem Diamonds and are confident that her independence,

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

experience and skills will be a strong asset for the Board. Rosalind has worked with many organisations across the world as a result she has a wide network and is respected across a range of stakeholders from governments and corporates through civil society organisations and media for her professional expertise and as a woman of integrity and credibility.

As set out in the Notice of Meeting, all Directors will be retiring and offering themselves for election and re-election. The Board is of the view that each of the Directors being proposed for election and re-election, continue to be effective in their role and are committed to making available the appropriate time for Board meetings and other duties, and have been and continue to be important to the Company's long-term sustainable success. Biographies of each of the Directors can be found on pages 9 to 11 of this document.

As announced on 11 March 2021, as a result of the Group's strong cash generation during the year and improved financial position, the Board is pleased to recommend that a dividend of 2.5 US cents per share be declared in respect of the 2020 financial year. If the resolution by shareholders is approved, this recommended dividend will be paid on 15 June 2021 to shareholders who are on the register of members on the record date of 14 May 2021 (ex-div date 13 May 2021).

The Directors' Remuneration Policy, as set out in the 2020 Annual Report, has been updated to reflect evolving practice. Changes include replacing the current short-term incentive bonus (STIB) and Employee Share Option Plan (ESOP) with a single integrated incentive, the Gem Diamonds Incentive Plan ('GDIP'), implementing a plan to align Executive Directors' pensions with that of the workforce, and introducing a one-year post-termination shareholding requirement for Executive Directors. The revised Directors' Remuneration Policy is proposed to shareholders at this meeting, as well as an advisory vote on the Directors' Remuneration Report. More details of the changes made to the Directors' Remuneration Policy can be found in the notes to the resolutions.

Shareholders are being asked to approve the adoption of new articles of association. The new articles of association will take effect upon the registration by the Registrar of a notice of amendment and will amend our existing articles of association, principally to reflect recent changes to company law and market practice. An explanation of the key changes between the proposed new articles of association and the existing articles of association is set out in the explanatory notes to the resolutions and the Appendix to this Notice.

At the 2020 AGM, one of the proposed ordinary resolutions, pertaining to the authority to allot shares, received less than 80% support and two special resolutions, pertaining to the disapplication of pre-emption rights did not pass. The Board acknowledges that the failure to pass the special resolutions and the votes received against the ordinary resolution, related primarily to the votes cast by a significant shareholder and their

standing policy on these matters. As noted in June 2020, the Board was disappointed in this outcome given that each of the resolutions followed the provisions of the Pre-Emption Group's Statement of Principles for the disapplication of pre-emption rights and reflected UK listed company market practice. In response to the votes received, since the AGM, members of the Board and the executive management team engaged in a consultation with the significant shareholder. Further details on the shareholder engagement process can be found in the 2020 Annual Report. The Board will continue to review its approach to this matter regularly, however it considers it appropriate to propose the same resolutions to shareholders this year.

This document includes the Notice of Meeting in which we have set out the resolutions that shareholders are being asked to vote on. Resolutions 1 to 14 are ordinary resolutions, the majority of which relate to standard business matters. However, they also include a resolution relating to the updated Directors' Remuneration Policy. Resolutions 15 to 18 are special resolutions and are proposed because they enable your Directors to take advantage of business opportunities as they arise and in respect of the amendment to the Company's Articles of Association to reflect developments in market practice since they were last amended.

An explanation of the business to be conducted at the meeting is included on pages 8 to 14 of this document.

The 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 AGM 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), i.e. by 10.00 am on 28 May 2021. Whilst ordinarily, lodging a proxy vote does not preclude a member from

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

attending and voting at the meeting, as outlined above, due to Covid-19 restrictions, we strongly discourage any additional members over and above the quorum requirement to attend the AGM on 2 June 2021. Members are therefore strongly encouraged to appoint the 'Chairman of the meeting' as their proxy to ensure their votes are included in the poll vote conducted on all resolutions. 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 Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL; 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 Group (CREST ID RA10) by 10.00 am on 27 May 2021. 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 2020, 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 Board would like to thank you for your co-operation at this extremely challenging time and urge you again to submit a form of proxy appointing 'the Chairman of the meeting' to ensure your votes are counted.

Yours sincerely

Harry Kenyon-Slaney

Chairman

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fourteenth Annual General Meeting of Gem Diamonds Limited will be held at 2 Eaton Gate, London, SW1W 9BJ at 10.00 am on Wednesday, 2 June 2020, to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 14 will be proposed as ordinary resolutions and resolutions 15 to 18 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 2020, together with the Directors' Report and the Auditors' Report thereon, be received.

Directors' Remuneration Policy

- 2 THAT the Directors' Remuneration Policy, as included on pages 86 to 92 of the Annual Report for the year ended 31 December 2020, be approved.

Directors' Remuneration Report

- 3 THAT the Directors' Remuneration Report, including the Annual Report on Remuneration and the Remuneration Committee Chair's statement, as included in the Annual Report for the year ended 31 December 2020, be approved.

Re-appointment of Auditor

- 4 THAT Ernst & Young Inc. be re-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

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

Dividend

- 6 THAT a final dividend of 2.5 US cents per ordinary share in respect of the financial year ended 31 December 2020 be approved and declared.

Re-election and election of Directors

- 7 THAT Mr Harry Kenyon-Slaney be re-elected as a Director.
- 8 THAT Mr Michael Lynch-Bell be re-elected as a Director.
- 9 THAT Mr Mike Brown be re-elected as a Director.
- 10 THAT Ms Mazvi Maharasoia be re-elected as a Director.
- 11 THAT Mr Clifford Elphick be re-elected as a Director.
- 12 THAT Mr Michael Michael be re-elected as a Director.
- 13 THAT Ms Rosalind Kainyah be elected as a Director.

Authority to allot shares

- 14 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\$467 232 (representing an amount equal to 33.33% of the Company's issued share capital as at 20 April 2021 (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 2022 (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.

SPECIAL RESOLUTIONS

Disapplication of pre-emption rights

- 15 THAT, subject to the passing of resolution 14, 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 14 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

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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\$70 085 (representing an amount (equal to 5%) of the issued share capital as at 20 April 2021).

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 2022) 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

16 THAT, subject to the passing of resolution 15, the Directors be and are hereby empowered, in addition to any power granted under resolution 15, to allot equity securities (for cash pursuant to the authority given by resolution 14 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\$70 085 (representing an amount (equal to 5%) of the issued share capital as at 20 April 2021); 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 2022) 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.

Purchase of own shares

17 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 2022 or, if earlier, at the close of business on 30 June 2022, unless revoked, renewed or varied during that period, provided that:

- a. the maximum aggregate number of ordinary shares authorised to be purchased is 14 016 955; (representing an amount equal to 10% of the Company's issued share capital as at 20 April 2021);
- 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; 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.

Articles of association

18 THAT with effect from the registration by the Registrar of a notice of amendment, the draft articles of association of the Company, produced to the meeting and signed by the Chair for the purpose of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

By order of the Board

Glenn Turner

Company Secretary

30 April 2021

Registered office

2nd Floor, Coastal Building
Wickham's Cay II
P.O. Box 2221
Road Town
Tortola
British Virgin Islands

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. Whilst ordinarily, lodging a form of proxy does not preclude a member from attending and voting at the meeting, due to Covid-19 restrictions, we are strongly advising that no additional members over and above the quorum requirement attend the Annual General Meeting ('AGM') on 2 June 2021. Members are therefore strongly encouraged to appoint the 'Chairman of the meeting' as their proxy to ensure their votes are included in the poll vote conducted on all resolutions. A shareholder may appoint the Chairman of the meeting 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, 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 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. They are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Submission of a proxy vote shall not normally 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 (although please note that as explained above, no additional members over and above the quorum requirement are advised to attend the AGM on 2 June 2021 due to Covid-19 restrictions).
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 Group at PXS 1, Central Square, 29 Wellington Street. If you need help with voting online, or require a paper proxy form, please contact the Company's Registrar, Link Group by email at enquiries@linkgroup.co.uk,

or you may call Link on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. They are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

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 28 May 2021 (or, if the Annual General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting) will be entitled to 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. A form of direction may be requested and completed in order to instruct Link Market Services Trustees Limited, the Depositary, to vote on your behalf by proxy or, if the AGM 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 Group using the contact details below. 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

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later 10.00 a.m. on 27 May 2021 or 72 hours before any adjourned AGM. You must be registered as holder of the Depositary Interests as at close of business on 28 May 2021 for your form of direction to be valid. Should you require any assistance in relation to your shareholding in Gem Diamonds Limited please contact Link Group by email at enquiries@linkgroup.co.uk or on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. They are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

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 Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 10.00 am on 27 May 2021) or 72 hours before any adjourned meeting. You must be registered as holder of the depositary interests as at close of business on 28 May 2021 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 of the meeting 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.

Corporate representatives

11. 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.

Questions

12. If shareholders have questions, they should be emailed to ir@gemdiamonds.com in advance of the AGM. You will receive a written response and, if we receive your questions by Friday, 21 May 2021, we will aim to provide answers to such pre-submitted questions on the Company's website before the deadline for proxy appointments, so that you can make a fully informed voting decision.

Website information

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

Voting rights and results

14. As at 20 April 2021 (being the last practicable date prior to the publication of this notice), the Company's issued shares consist of 140 169 546 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 20 April 2021 are 140 169 546.
15. 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.
16. 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.

Voting rights and results

17. Copies of the documents set out below are made available for inspection during normal business hours at the Company's London office from the date of this notice up to the date of the AGM and at the place of the AGM from 15 minutes before the start of the meeting until the conclusion of the meeting. Given the Covid-19 restrictions, copies of the following documents will also be made available to members on receipt of a valid request made to ir@gemdiamonds.com:
 - (a) All Directors' service contracts or letters of appointment; and
 - (b) A copy of the Memorandum and Articles of Association together with a copy of the amended form of the memorandum and articles of association of the Company that are proposed to be adopted by Resolution 18.

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 14 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 15 to 18 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 2020.

Directors' Remuneration Policy (resolution 2)

Shareholders will be asked to approve the revised Directors' Remuneration Policy as included on pages 86 to 92 in the Annual Report for the year ended 31 December 2020. The current remuneration policy was adopted at the AGM in June 2020. During 2020, the Remuneration Committee reviewed the current policy in the context of matters raised by shareholders and in relation to our ability to measure TSR performance robustly against comparable companies, given the recent reduction in the number of listed diamond mining peers from eight to four, which was largely due to reasons ranging from consolidation to delisting. The Remuneration Committee considered how best to ensure that the ESOP continues to be a robust and relevant incentive that reinforces performance and how it can be structured to avoid sensitivity to uncontrollable factors and the challenges of long-term forecasting for a single asset company. We believe the time is opportune for a reset of the incentive reward structure. The Company therefore proposes to replace the current short-term incentive bonus ('STIB') and Employee Share Option Plan ('ESOP') with a single integrated incentive, the Gem Diamonds Incentive Plan or 'GDIP'. The GDIP has been developed to simplify the incentive arrangements by measuring performance over a single one-year performance period, which then delivers a combination of cash and deferred shares. The overall time horizon of the GDIP, including its deferral periods and post-vesting holding periods, and its mix of cash and shares have been designed to replicate the overall STIB and ESOP structure it replaces. The deferred share element of the GDIP will take the form of a bonus share award under the terms of ESOP, approved by shareholders in 2017 and 2020, but with the award vesting over a longer period of three years.

The Remuneration Committee also proposes several other changes to the current remuneration policy to ensure the remuneration structure reflects evolving governance developments, including implementing a plan to align Executive Directors' pensions with that of the workforce, and introducing a one-year post-termination shareholding requirement for Executive Directors. The Remuneration Committee consulted major shareholders on these proposals prior to finalising the details, and no concerns were raised in respect to the proposals.

Further details of the Remuneration Committee's work on the proposed policy are available in the Directors' Remuneration Report, on pages 81 to 85 and pages 93 to 109 of the Annual Report for the year ended 31 December 2020.

Directors' Remuneration Report (resolution 3)

Shareholders will be asked to approve the Annual Report on Remuneration found on pages 93 to 109 of the Annual Report for the year ended 31 December 2020, as well as the Remuneration Committee Chair's statement as included on pages 82 to 85 of the Annual Report (together, the 'Directors' Remuneration Report'). The approval of shareholders is requested in an advisory role only, in accordance with remuneration reporting rules. The Directors' Remuneration Report gives details of remuneration of the Directors for the year under review. The Auditor has audited certain parts of the Directors' Remuneration Report and its report may be found on pages 115 to 117 of the Annual Report.

Re-appointment of Auditor (resolution 4)

The Company is required to appoint auditors 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 has reviewed the effectiveness, independence and objectivity of the external auditor EY South Africa (Ernst & Young Inc.) on behalf of the Board, which now proposes the re-appointment of Ernst & Young Inc. as auditor of the Company to hold office until the next meeting at which accounts are laid. Ernst & Young Inc. has indicated its willingness to continue in office. Accordingly, resolution 4 will, if passed, re-appoint Ernst & Young Inc. as auditor to the Company.

Remuneration of the Auditor (resolution 5)

Resolution 5, if passed, authorises the Directors of the Company to set the remuneration of the Auditor as recommended by the Audit Committee.

Dividend (resolution 6)

An ordinary dividend of 2.5 US cents per ordinary share for the year ended 31 December 2020 is recommended for payment by the Directors. If shareholders approve the recommended ordinary dividend, this will be paid on 15 June 2021 to all

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

shareholders who are on the share register at the close of business on 14 May 2021. The ordinary dividend equates to an aggregate distribution to shareholders of approximately US\$3.5 million.

Election and re-election of Directors (resolutions 7 to 13)

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, all directors appointed at the time of the AGM will offer themselves for election and re-election. Ms Rosalind Kainyah, to be appointed from 1 May, will be standing for election by shareholders, having been nominated by the Board. Details for Ms Rosalind Kainyah are below.

The skills and experience of each director, which can be found below and on pages 182 to 185 of the Annual Report, demonstrate why their contribution is, and continues to be, important to the company's long-term sustainable success.

The Board recognises the importance of the Hampton-Alexander reviews and its objective to improve diversity in executive leadership and senior management. Further detail on the framework to succession planning can be found in the Nominations Committee report on page 70 of the Annual report and in the Sustainable Development Review on the Company's website www.gemdiamonds.com.

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

NON-EXECUTIVE DIRECTORS

Harry Kenyon-Slaney (60)

Non-Executive Chairman

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

Appointed

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

Key skills and experience

Harry has over 38 years of 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. 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 general manager of 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.

Current external appointments

Harry is currently a senior adviser to McKinsey & Co. Harry is a member of the advisory board of Schenck Process AG; a non-executive director of Sibanye-Stillwater; and a non-executive director of several private companies.

Board Committee membership

Chairman of the Nominations Committee and member of the Remuneration and Sustainability Committees.

Michael Lynch-Bell (67)

Senior Independent Director

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

Appointed

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

Key skills and experience

Michael spent a 38-year career with Ernst & Young (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 EY's assurance Practice from 1974 to 1996 when he transferred to the Transaction Advisory Practice. He was also UK Alumni sponsor and a member of the firm's Europe, Middle East, India, and Africa and Global Advisory Councils. He retired from EY as a partner in 2012 and continued as a consultant to the firm until November 2013.

Current external appointments

Michael is currently deputy chair and senior independent non-executive director at Kaz Minerals Plc; chair of the audit and remuneration committees at Lenta Limited; chair of Little Green Pharma Ltd; and non-executive director and chair of the remuneration committee of Barloworld Limited.

Board Committee membership

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

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Mike Brown (60)

Non-Executive Director

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

Appointed

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

Key skills and experience

Mike has over 36 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 mining sector 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 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.

Current external appointments

Mike is currently a non-executive director of Nevada Copper.

Board Committee membership

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

Mazvi Maharasoa (51)

Non-Executive Director

LLM (International and Commercial Law), University of Buckingham

Appointed

Mazvi was appointed to the Gem Diamonds Board in July 2019.

Key skills and experience

Mazvi has over 21 years' experience in senior management positions, including leading roles in the mining sector having served as the resident director and chief executive officer of Letšeng Diamonds Proprietary Limited until 2017. Furthermore, Mazvi was also the founder and president of the Lesotho Chamber of Mines (2016). Prior to her work in the mining industry, Mazvi was involved in the Ministry of Natural Resources and the Central Bank of Lesotho, where she was the senior legal counsel for each of these entities. Since joining the Board, Mazvi

has been appointed as the designated non-Executive Director for workforce engagement.

Current external appointments

Mazvi is currently a non-executive director of First National Bank Lesotho Limited and a non-executive director of several private companies.

Board Committee membership

Member of the Sustainability Committee.

Rosalind Kainyah MBE (63)

Non-Executive Director

BA Hons English (University of Ghana); LLB (University of London); LLM (University College London), MCI Arb

Appointed

Rosalind was appointed to the Gem Board from May 2021.

Key skills and experience

Rosalind is the founder and Managing Director of Kina Advisory Limited, a trusted advisor to Boards and Senior Executives of global companies on Sustainability and responsible business investment and partnerships in emerging markets. She trained as a lawyer and is a member of the Bar of England and Wales and of the Chartered Institute of Arbitrators. Rosalind has almost 30 years of combined international, senior management, executive and board level experience. She has worked with companies and organisations including Linklaters, Anglo American Corporation of South Africa, De Beers, Tullow Oil plc, the United Nations Environment Programme and ERM, and on projects across Africa, in the UK, Europe, North & South America, Asia, and the South Pacific. As a result, she has wide network and is respected across a range of stakeholders from governments and corporates through civil society organisations and media for her professional expertise and as a woman of integrity and credibility. Rosalind was previously a Non-Executive Director of the Norwegian oil company, Aker Energy AS, and of the GEMS Africa, the African subsidiary of the world's leading private schools' company.

Current external appointments

Rosalind is currently a Non-Executive Director of CAL Bank Limited, Ghana; Board member of Results for Development (R4D); Vice Chairperson of the Africa Gifted Foundation; and Founding President of the Ghana chapter of International Women's Forum.

Board committee membership

The Company will confirm Rosalind's Board Committee membership in due course.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

EXECUTIVE DIRECTORS

Clifford Elphick (60)

Chief Executive Officer

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

Appointed

Clifford formed Gem Diamonds in July 2005.

Key skills and experience

Clifford joined Anglo American Corporation in 1986 and was seconded to E Oppenheimer & Son Proprietary Limited as Harry Oppenheimer's personal assistant in 1988. In 1990, he was appointed managing director of E Oppenheimer & 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.

Current external appointments

Clifford is currently the non-executive chairman of Zanaga Iron Ore Co. Limited

Michael Michael (50)

Chief Financial Officer

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

Appointed

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

Key skills and experience

Michael has over 21 years' experience in financial management. He joined the audit firm RSM Betty & Dickson in Johannesburg, South Africa in January 1993 and became audit partner at the firm in March 2000. From August 2006 to February 2008 Michael was seconded to Gem Diamonds to assist with the financial aspects of the Main London Listing including the financial reporting, management accounting and tax relating to the initial public offering. In March 2008 Michael joined Gem Diamonds on a full-time basis as the Group Financial Manager. On 2 April 2013 he was promoted to the position of Chief Financial Officer.

He holds no external appointments.

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

Authority to allot shares (resolution 14)

The purpose of resolution 14 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 14 will, if passed, authorise the Directors to allot relevant equity securities up to an aggregate nominal amount of US\$467 232. This represents 33.33% of the Company's total issued share capital as at 20 April 2021 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 2022 or, if earlier, at the close of business on 30 June 2022.

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 15)

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 15 is conditional on the passing of resolution 14 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 2022 or, if earlier, at the close of business on 30 June 2022.

Resolution 15 will give the Directors authority, in certain circumstances, to allot ordinary shares pursuant to the authority granted under resolution 14, or sell treasury shares, for cash without first offering them to existing shareholders in proportion to their existing shareholding.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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 who are 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\$70 085 (representing 7 008 477 ordinary shares). This aggregate nominal amount represents approximately five per cent of the Company's issued ordinary share capital as at 20 April 2021 (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 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 16)

Resolution 16 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\$69 494, representing a further five per cent of the Company's issued share capital. The additional authority in resolution 16 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 16 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 16 and 16. 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 2022 or, if earlier, at the close of business on 30 June 2022.

Authority to purchase of own shares (resolution 17)

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 17, 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 14 016 955 ordinary shares having an aggregate nominal value of US\$140 169, which represents 10% of the issued ordinary share capital of the Company as at 20 April 2021. 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 17. This authority will expire at the Company's next Annual General Meeting in 2022 or at the close of business on 30 June 2022, 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.

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

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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 20 April 2021 (being the latest practicable date prior to the publication of this notice), there were 2 912 285 outstanding options granted under all share option schemes operated by the Company and no outstanding warrants. If exercised, the outstanding options would represent 2.1% of the current issued share capital of the Company (excluding any shares held in treasury). If this authority granted under resolution 17 were exercised in full, that percentage would increase to 2.31%.

Articles of association (resolution 18)

Resolution 18 will be proposed as a Special Resolution to adopt new articles of association of the Company (the "New Articles of Association") to take effect from the registration of a notice of amendment by the Registrar. The New Articles of Association will amend the Company's current articles of association (the "Current Articles of Association") to reflect changes to company law and market practice. In particular, the New Articles of Association provide greater flexibility for the Company to hold a general meeting either physically or through a combined electronic and physical meeting. Other principal changes introduced in the New Articles of Association are summarised in the Appendix to this Notice. Certain changes, which are of a minor or technical nature, have not been noted. The New Articles of Association, showing all the changes to the Current Articles of Association, are available for inspection, as specified in note [17] to this Notice.

APPENDIX

Summary of the principal changes to the Company's Current Articles of Association

The New Articles of Association contain, among others, the following principal changes:

1. Election of persons entitled by transmission

The New Articles of Association have been updated to allow the Company to register a person who becomes entitled to a share by death or bankruptcy of a member as holder of the share if the notice requiring such person to make an election is not complied with within one year of being sent (Article 35.3). The intention behind this change is to assist the Company with efficient administration of the register.

2. Fractional entitlements

Whenever as a result of a consolidation or sub-division of shares any members would become entitled to fractions of a share, the New Articles of Association clarify that the Company may aggregate and sell such fractions or deal with them in some other way. Where a shareholder's entitlement to proceeds from the sale of these fractions is £5 or less, the Company may distribute such sums to a charity rather than distribute them to shareholders in order to avoid an administrative burden on the Company.

3. Postponement of general meetings

The New Articles of Association contain new provisions in relation to the Directors' power to postpone a properly convened general meeting after notice of that meeting has been sent out but before the time at which the meeting is to be held (Article 45). The New Articles of Association allow Directors to inform members of the new arrangements by giving notice as they see fit.

4. Combined physical and electronic general meetings

The New Articles of Association provide that the Directors may decide to hold a "hybrid" general meeting as a combined physical and electronic general meeting (including an annual general meeting) in such a way that enables shareholders to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic platform (Article 55). Voting in respect of all resolutions at a hybrid general meeting must be decided on a poll (Articles 55.3 and 61.2). This provision does not permit a general meeting to be held in an electronic only format. This provision provides further flexibility for the Directors to decide the format and arrangements for holding a general meeting to ensure it is appropriate in the circumstances. The New Articles of Association also include a number of consequential changes to provide for a general meeting to be held as a physical general meeting or a combined physical and electronic general meeting, such as amendments to the method of voting and demand for poll (Article 61), the adjournment of meetings (Article 53) and the requirement for a quorum (Article 52).

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

5. Attendance at and participation in general meetings

The New Articles of Association provide greater detail on how a person is able to attend and participate in a general meeting (Article 56). This provision specifies that in determining whether persons are attending or participating in a general meeting, it is immaterial whether they are in the same place as each other or how they are able to communicate, provided that they have rights to speak (including by audio or written means, as the Board may decide) or vote at that meeting. This provision provides further flexibility in the way that meetings are held and captures how a person is able to attend and participate in a physical meeting and a combined physical and electronic general meeting.

6. Payment of dividends in specie

The New Articles of Association have been amended to clarify that non-cash assets may be distributed to shareholders, rather than having a distribution to shareholders satisfied by the transfer of a non-cash asset. This is in line with current market practice.

7. Unclaimed dividends

The New Articles of Association have been updated to clarify that the Company may keep unclaimed dividends if sums remain unclaimed for more than 12 years. This change is in line with current market practice. If the Company sells shares of untraced shareholders (Article 144) then the dividends or sums that have not been claimed by the relevant member shall be forfeited and shall revert to the Company.

8. Power to offer shares in lieu of cash dividends

The New Articles of Association reduce the period for scrip dividend authorities to be renewed from five years to three years in line with Investment Association guidance (Article 139.3).

9. Untraced shareholders

The New Articles of Association contain amended provisions in relation to untraced shareholders to bring those provisions more in line with current market practice. Although some of these formalities are no longer required, the New Articles of Association still require the Company to comply with a number of other formalities (such as sending notice to the last known physical or email address of the shareholder and using reasonable steps to trace the shareholder) before such shares can be sold (Article 144.1.2) but requirements to advertise in newspapers have been removed in line with market practice and changes in law. The New Articles of Association provide that a relevant share may only be

sold if: (i) during a period of twelve years at least two dividends in respect of that share have been announced but none have been claimed; and (ii) after the expiry of the twelve-year period, the Company has sent a notice to the member or person entitled by transmission and has not received any communication from such member or person entitled by transmission for a further period of three months (Article 144.1). Amendments have also been made in relation to the sale process to clarify that the net sale proceeds belong to the Company and the untraced shareholder has no further right to claim the proceeds (Article 145).

10. General

The opportunity has been taken generally to incorporate amendments of a minor or technical nature. The New Articles of Association also reflect current statutory and regulatory rules. Gender neutral language has also been adopted throughout the New Articles of Association.

GEM DIAMONDS LIMITED
