GEM DIAMONDS LIMITED

2026

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. CONSTITUTION

1.1 The remuneration committee (**Committee**) was constituted as a committee of the board of directors (**board**) of GEM DIAMONDS LIMITED (**Company**) at a full meeting of the board in accordance with the articles of association of the Company.

1.2 The Committee has the delegated authority of the board in respect of the functions and powers set out in these terms of reference.

1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. ROLE

2.1 The role of the Committee is to assist the board to fulfil its responsibility to shareholders to ensure that:

a. remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and

b. executive remuneration is aligned to company purpose and values and linked to the delivery of the company's long-term strategy.

2.2 In particular the Committee shall consider:

a. Remuneration policies, including base pay, long-term and short-term incentives, post-employment shareholding requirements and use of the Committee's discretion.

b. Remuneration practice and its cost to the Company.

c. Recruitment, service contracts and severance policies, including malus and clawback provisions.

d. Pension and superannuation arrangements and other benefits.

e. The engagement and independence of external remuneration advisers.

f. Review workforce remuneration and related policies and the alignment of incentives and rewards with culture.

2.3 The remuneration of the senior independent director and non-executive directors of the board will be a matter for the chairman and the executive directors to be decided at a meeting of the board to be determined within the limits set in the Company's articles of association.

3. DUTIES AND TERMS OF REFERENCE

The Committee shall carry out the following duties for the Company and its subsidiaries (the **Group**) and advise the board appropriately:

3.1 Remuneration policies and practices

The Committee shall:

a. Determine and agree with the board the policy for the remuneration and benefits, including pension rights and compensation payments, of the executive directors and set the remuneration for:

   i. The chairman of the Company.
   ii. Executive directors.
   iii. The company secretary.
   iv. Any other senior managers that the board designates the Committee to consider (senior executives).

   No director or senior manager shall be involved in any decisions as to their own remuneration.

b. Subject to paragraph 3.6 (b) in determining the remuneration policy consider:

   i. All relevant legal and regulatory requirements, the provisions of the UK Corporate Governance Code (**Code**) and associated guidance.
   ii. An appropriate balance between fixed and performance-related remuneration, immediate and deferred remuneration.
   iii. The need to promote the long-term sustainable success of the Company and the alignment to the Company purpose and values, without paying more than is necessary, having regard to the views of shareholders and other stakeholders and ensuring that executive directors and senior executives are rewarded in a fair and responsible manner and are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions.
   iv. The strategy of the Company and the Group and how the policy reflects and supports the long-term strategy.
   v. The Company's risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company's risk policies and systems and long-term strategic goals.
   vi. Any shareholding requirements, including vesting and holding periods and any post-employment shareholding requirements for executive directors and senior executives that encompass both unvested and vested shares.
   vii. The transparency of the performance-related elements, ensuring that they are stretching and rigorously applied.

c. When determining remuneration schemes and the remuneration policy, consider the use of discretion by the Committee to override formulaic outcomes.

d. Review the on-going appropriateness and relevance of the remuneration policy and consult with significant shareholders as appropriate, on the policy or any other aspects of remuneration.

e. Determine, within the terms of the agreed remuneration policy, the total remuneration package for the Company chairman and each element of the total individual remuneration package for each executive director and senior executives (to the extent applicable) including:

   i. Base salary.
   ii. Profit sharing and specific incentive remuneration schemes / arrangements.
   iii. Participation in share option schemes and share ownership plans.
   iv. Pension arrangements, including the level of contributions by the Company.
   v. Other bonuses and benefits in cash or in kind.

f. Ensure, where relevant, that any payments made are permitted under the latest shareholder approved remuneration policy and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval.

g. Exercise any discretion or judgment on remuneration outcomes in accordance with any incentive schemes and the remuneration policy, taking account of company and individual performance, and wider circumstances.

h. Ensure that performance-based incentive plans include a range of financial and non-financial strategic measures that align targets with value delivery over the long term in line with the company's purpose.

i. Agree the policy for authorising claims for expenses from the directors.

3.2 Share based remuneration and bonus arrangements

The Committee shall:

a. Recommend for approval by the board the design of, and determine the targets for, the operation of all long-term incentive schemes, including all schemes involving the award of shares or the grant of options, in which executive directors and senior executives participate. For any such schemes or plans, determine each year whether the awards will be made, and if so, approve the levels of participation in such schemes by those individuals.

b. Monitor and assess any performance conditions applicable to any long-term incentive awards granted under any schemes or plans adopted by the Company. Ensure that the performance conditions are fully explained, aligned to the Company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value. Consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders.

c. Consider whether the directors and senior executives should be eligible for annual bonuses. Bonuses shall be used to reward a contribution to the business which exceeds the level expected.

d. In relation to any bonus scheme operated by the Company, determine annual targets and key performance indicators for, and assess performance against targets and key performance indicators by the Company, individual executive directors and other senior executives.

e. Exercise independent judgment and discretion when authorising outcomes under all incentive arrangements, taking account of company and individual performance, and wider circumstances.

f. Design and where necessary invoke agreed safeguards to protect against rewards for failure through appropriate risk management of incentive arrangements to ensure that any performance-related payments reflect actual achievements.

g. Ensure that all incentive arrangements are aligned to the Company's risk policies and systems its purpose and values, support the strategy and promote long-term sustainable success.

3.3 Pensions

The Committee shall monitor the alignment of pension contribution rates, or payments in lieu, for executive directors and senior executives with those available to the workforce and review the pension arrangements for the executive directors and senior executives and in particular the pension consequences and associated costs to the Company of basic salary increases and any other changes in pension remuneration or contribution rates, particularly for directors close to retirement, when compared with workforce arrangements.

3.4 Remuneration consultants

The Committee shall:

a. To help it fulfil its obligations and to enable it to judge where to position the Company relative to other companies, have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, at the expense of the Company (but within the budgetary restraints imposed by the board) and the Committee will be mindful of any advice received from the appointed remuneration consultant.

b. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

3.5 Service contracts and severance

The Committee shall:

a. Approve the terms of the service contracts, the duration of which shall not exceed one year's notice period, for executive directors and senior executives and any material amendments to those contracts.

b. Determine the policy for, and scope of, termination payments and compensation commitments for each executive director and senior executive. Ensure that poor performance is not rewarded and that there is a clear policy to link non-contractual payments to performance.

c. Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company and in accordance with legal and regulatory requirements, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

d. Agree, apply and annually report on malus and clawback provisions, including:

   i. The circumstances in which malus and clawback provisions could be used;
   ii. A description of the period for malus and clawback and why the selected period is best and suits the Company; and
   iii. Whether the provisions were used in the last reporting period. If so, a clear explanation of the reason should be provided in the annual report.

3.6 Workforce remuneration and related policies

The Committee shall

a. Review workforce remuneration and related policies and the alignment of incentives and rewards with culture.

b. When setting the policy for executive director remuneration, take into account the matters in paragraph 3.6 (a).

c. Engage with the workforce to explain how decisions on executive pay reflect wider company pay policy.

d. Oversee any major changes in remuneration and employee benefits structures throughout the Company.

3.7 Shareholder approval

The Committee shall:

a. Report annually to shareholders on matters relating to executive remuneration that shall include the information required to be disclosed by the Companies Act 2006 (including any regulations made under that Act), the Code, the Listing Rules (as published by the Financial Conduct Authority) (**Listing Rules**) and any other relevant statutory, regulatory or governance codes and incorporate:

   i. An annual statement by the Committee's chairman and annual report on directors' remuneration (together, **annual remuneration report**).

   ii. The directors remuneration policy when it must be submitted for approval in accordance with paragraph 3.7 (b) (**directors remuneration policy**) and, in any other case, either the directors remuneration policy, a summary of such policy or details of when the directors remuneration policy was approved and where it can be found on the Company's website.

b. Submit the directors remuneration policy for approval on a binding basis by the board and shareholders:

    i. Every three years.
    ii. In any year in which there is a change to the policy.
    iii. If shareholder approval was not obtained when last submitted.
    iv. If majority shareholder approval was not achieved on the last submitted annual remuneration report.

c. Submit the annual report on directors' remuneration for approval on an advisory basis by the board and shareholders at the annual general meeting each year.

d. Subject to delegation of authority by the board, engage in appropriate discussions as necessary with shareholders if, 20 per cent or more of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy at any annual general meeting or general meeting, as the case may be, and agree with the board any appropriate disclosure, including in the annual report.

3.8 Other matters

The Committee shall:

a. Keep abreast of external remuneration trends and market conditions including receiving an annual presentation from its external remuneration consultants.

b. Subject to delegation of authority by the board, determine whether the disclosure of any information or performance conditions would be commercially sensitive.

c. Consider such other matters as are referred to the Committee by the board.

d. Work and liaise as necessary with all other board committees.

4. MEMBERSHIP

4.1 The Committee shall comprise a minimum of two members. Each Committee member shall be an independent non-executive director as determined by the board (in accordance with the principles of the Code).

4.2 The board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee chairman.

4.3 The chairman of the board may be a member of the Committee if he or she was considered to be independent on appointment as chairman. The chairman of the board shall not chair the Committee.

4.4 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.

4.5 The board shall appoint the chairman of the Committee from among the independent non-executive directors, and before such appointment, the appointee should have served on a remuneration committee for at least 12 months. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present at the meeting shall elect one of their number present to chair the meeting.

4.6 The Committee chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

4.7 The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5. ATTENDANCE AT MEETINGS

5.1 The Committee shall meet at least two times a year and otherwise as required.

5.2 Only members of the Committee and the Company Secretary (or his or her nominee) for the purposes of paragraph 9, have the right to attend Committee meetings. However, other individuals such as the chief executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary and with the agreement of the Committee chairman.

5.3 No person (including directors and the chairman) of the Company shall participate at a meeting of the Committee (or during a relevant part) at which any part of their remuneration is being directly discussed or participate in any recommendation or decision specifically concerning their remuneration.

5.4 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6. NOTICE OF MEETINGS

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chairman.

6.3 The Committee may send notices, agenda and supporting papers in electronic form where the recipient has agreed to receive documents in such a way.

7. QUORUM

7.1 The quorum necessary for the transaction of business at a Committee meeting shall be two members.

7.2 A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

8. VOTING ARRANGEMENTS

8.1 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by member attending a Committee meeting, whether in person or audio or video conference.

8.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

8.3 Except where he has a personal interest, the Committee chairman shall have a casting vote.

8.4 The Committee chairman may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

9. MINUTES OF MEETINGS

9.1 The Company Secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

9.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other board members unless in the opinion of the Committee chairman it would be inappropriate to do so.

10. ANNUAL GENERAL MEETING

10.1 The Committee chairman shall attend the annual general meeting to answer shareholder questions on the Committee's activities.

11. REPORTING RESPONSIBILITIES

The Committee shall:

11.1 Report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

11.2 Report to the board on workforce reward, incentives and conditions, and support the board's monitoring of the alignment of company policies and practices with culture and strategy.

11.3 Make whatever recommendations to the board it deems appropriate on any area within its remit where actions or improvement is needed.

11.4 Ensure that provisions regarding the public disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Code, are fulfilled.

11.5 Prepare a formal report for shareholders (as referenced in paragraph 3.7(a) above) to be included in the Company's annual report, which shall include the matters referred to in paragraph 3.7(a) and ensure it is submitted for approval in accordance with paragraph 3.7(b).

11.6 If the Committee has appointed remuneration consultants, identify in the annual report on directors' remuneration, the name of the consultants and state whether they have any connection with the Company or individual directors.

11.7 Ensure, through the chairman of the board, that the Company maintains contact, and the Committee chair seeks engagement, as required, with its principal shareholders on significant matters related to the Committee's areas of responsibility.

11.8 Prepare and adopt a report on the Committee's work and activities for inclusion in the Company's annual report setting out:

a. the number of meetings of the Committee and individual attendance by the members; and
b. the matters listed in Provision 41 of the Code and other information recommended by the Code and associated guidance.

11.9 Make available to shareholders these terms of reference by placing them on the Company's website.

12. GENERAL MATTERS

The Committee shall:

12.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretary and management for assistance as required.

12.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

12.3 Give due consideration to laws, regulations and any published guidance or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the Listing Rules and the Financial Conduct Authority's Prospectus Regulations Rules and Disclosure Guidance and Transparency Rules as well as guidelines published by Institutional Shareholder Services, the Investment Association, the Pensions and Lifetime Savings Association, the GC 100 and Investor Group and any other applicable rules, as appropriate.

12.4 Work and liaise as necessary with all other board committees, including the nomination committee, in respect of any remuneration package to be offered to any new appointee of the board, ensuring that the interaction between committees and the Committee and the board is reviewed regularly.

12.5 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

13. AUTHORITY

The board authorises the Committee to:

13.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary.

13.2 Seek any information it requires from any employee of the Company or any of the Company's subsidiaries to perform its duties.

13.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expenses.

13.4 Call any employee to be questioned at a Committee meeting as and when required.

13.5 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the board.

Adopted at the Board Meeting of the Company on 20 November 2025.