

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

All terms defined in the Annual Report, to which this notice of Annual General Meeting (“AGM”) is attached, shall bear the same meanings when used in this notice of AGM.

NOTICE IS HEREBY GIVEN that the AGM of shareholders of the Company will be held at 1 Cathedral Piazza, London, SW1E 5BP, United Kingdom on Wednesday 24 June 2020 at 10 a.m. (British Summer Time) to conduct such business as may lawfully be dealt with at the AGM.

Shareholders are advised that meeting participants (including proxies) may be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include a driver’s licence or passport.

In light of the ongoing COVID-19 pandemic, the Company may be required to hold a virtual AGM in lieu of a physical meeting, in which case the Company will notify shareholders by way of an RNS and SENS announcement at the appropriate time.

DATES AND VOTING

The Board has determined the following:

- Those shareholders registered on the Company’s shareholders’ register on 17 April 2020 will receive notice of the AGM.
- Those shareholders registered on the Company’s shareholders’ register at 11 a.m. (British Summer Time) on Friday 19 June 2020 will be eligible to participate and vote. In the event that the AGM is adjourned, those shareholders registered on the shareholders’ register five full business days (in the United Kingdom) before the time of any adjourned meeting will be eligible to participate and vote.
- Voting will be by way of a poll and every shareholder, present in person or represented by proxy and entitled to vote, shall be entitled to one vote for every share held.

PROXIES

A shareholder is entitled to attend the AGM in person and vote or to appoint a proxy (or proxies) to attend and to speak and, on a poll, vote instead of him/her. A proxy need not be a shareholder. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. The appointment of a proxy will not prevent a shareholder from subsequently attending the AGM and voting in person.

To be effective, a Form of Proxy, and any power of attorney or other authority under which it is signed (or a certified or notarised copy of any such authority) must be completed, signed and either lodged, not less than three business days before the time for holding the meeting or adjourned meeting. Below are the addresses for the Company’s AIM and BSX, and JSE registrar, to whom Forms of Proxy and accompanying documents should be sent, depending on which exchange a shareholder’s shares are traded on. Separate Forms of Proxy for the AIM and BSX, and the JSE, are included at the end of this notice and will be made available on the Company’s website at www.gemfieldsgroup.com.

AIM and BSX registrar

Computershare Investor Services (Guernsey) Limited

The Pavilions
Bridgewater Road
Bristol
BS99 6ZY
United Kingdom

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

JSE registrar

Computershare Investor Services (Pty) Limited

Rosebank Towers
15 Biermann Avenue
Rosebank
2196
South Africa

Forms of Proxy submitted for the original meeting will remain valid for any adjourned meeting. **If you do not intend to attend the AGM and wish to vote by proxy, please complete and return the Form of Proxy as soon as possible.**

ORDINARY RESOLUTIONS

For each ordinary resolution to be passed, it must be supported by more than 50% of the votes cast.

Ordinary resolution 1: To adopt the Company's Annual Report for the year ended 31 December 2019.

The Group's Annual Report for the year ended 31 December 2019, including the financial statements, auditor's report and Directors' report, have been distributed as required and will be presented to shareholders at the AGM. The Annual Report can be found on the Company's website, www.gemfieldsgroup.com.

Ordinary resolution 2: To re-elect Martin Tolcher, who is retiring by rotation, as a Director of the Company.

It is resolved that Martin Tolcher, who was first appointed as a Director on 25 November 2008 (made Chairman on 25 November 2019) and who retires in accordance with the terms of the Company's Articles of Incorporation, and who is eligible and available for re-election, is re-elected as a director of the Company with immediate effect.

A curriculum vitae for Martin Tolcher is included in the Annual Report in the Governance section.

Ordinary resolution 3: To re-elect Lumkile Mondi, who is retiring by rotation, as a Director of the Company.

It is resolved that Lumkile Mondi, who was first appointed as a Director on 29 October 2015 and who retires in accordance with the terms of the Company's Articles of Incorporation, and who is eligible and available for re-election, is re-elected as a director of the Company with immediate effect.

A curriculum vitae for Lumkile Mondi is included in the Annual Report in the Governance section.

Ordinary resolution 4: To re-elect each of Carel Malan, Martin Tolcher (subject to his re-election as Director pursuant to ordinary resolution 2) and Lumkile Mondi (subject to his re-election as Director pursuant to ordinary resolution 3) to the Company's Audit Committee.

It is resolved that Carel Malan, an Independent Non-Executive Director of the Company, is re-elected to the Company's Audit Committee.

It is resolved that Martin Tolcher (subject to his re-election as a Director pursuant to ordinary resolution 2), an Independent Non-Executive Director and Chairman of the Company, is re-elected to the Company's Audit Committee.

It is resolved that Lumkile Mondi (subject to his re-election as a Director pursuant to ordinary resolution 3), an Independent Non-Executive Director of the Company, is re-elected to the Company's Audit Committee.

Curricula vitae for Carel Malan, Martin Tolcher and Lumkile Mondi are included in the Annual Report in the Governance section.

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

Ordinary resolution 5: To reappoint BDO LLP as the Company's auditor (until the conclusion of the 2021 annual general meeting) and to authorise the Directors to fix their remuneration.

It is resolved that BDO LLP be reappointed as the Company's auditor until the conclusion of the 2021 annual general meeting, in line with the recommendation of the Audit Committee to the Board, and to authorise the Directors to fix their remuneration.

SPECIAL RESOLUTIONS

For each special resolution to be passed, it must be supported by more than 75% of the votes cast.

Special resolution 1: General authority to issue shares for cash.

It is resolved that the Directors are hereby authorised pursuant to article 5 of the Articles of Incorporation to issue up to 116,875,603 ordinary shares, (representing 10% (ten percent) of the issued share capital of the Company at the date of this notice) for cash, representing a class of share already in issue, subject to the following conditions, inter alia:

- that this authority shall not extend beyond the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest;
- that an RNS and SENS release/press announcement giving full details will be published at the time of any issue representing, on a cumulative basis 5% or more of the number of shares in issue prior to the issue/s from the date of this AGM until the date of the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest;
- that the shares must be issued to public shareholders and not to related parties;
- that any issue in the aggregate in any one year shall not exceed 116,875,603 shares of the Company's issued ordinary share capital; and
- that in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue is determined or agreed to by the Directors. In the event that shares have not traded in the said 30 (thirty) day period a ruling will be obtained from the committee of the JSE Limited.

Subject to the approval of the general authority proposed in terms of this special resolution, and in terms of the JSE Listings Requirements, shareholders, by their approval of this resolution, grant a waiver of any pre-emptive rights to which ordinary shareholders may be entitled in favour of the Directors for the allotment and issue of ordinary shares in the share capital of the Company for cash other than in the normal course by way of a rights offer or a claw-back offer or pursuant to the Company's share incentive schemes or acquisitions utilising such shares as currency to discharge the purchase consideration.

The proposed resolution to issue up to 116,875,603 ordinary shares represents approximately 10% (ten percent) of the issued share capital of the Company at the date of this notice.

The reasons and effects of this special resolution are fully described in the Explanatory Memorandum.

Special resolution 2: General authority to acquire (repurchase) ordinary shares.

It is resolved that the Company and/or any subsidiary is hereby authorised, by way of a general authority, from time to time, to acquire ordinary shares in the share capital of the Company from any person in accordance with the requirements of Article 4 of the Company's Articles of Incorporation, the Companies (Guernsey) Act 2008, the JSE Listings Requirements and the AIM Rules for Companies, from time to time, provided that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system, subject to the approval of the JSE, where necessary, and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited);

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

- this general authority shall be valid until the earlier of the Company's next annual general meeting or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- an announcement containing full details of such acquisitions will be published as soon as the Company or any of its subsidiaries shall have acquired ordinary shares constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in issue as at the date of this approval and for each subsequent acquisition constituting, on a cumulative basis, not less than 3% in aggregate of the number of ordinary shares in issue as at the date of this approval, in compliance with paragraph 11.27 of the JSE Listings Requirements;
- acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of the Company's issued ordinary share capital, as at 24 June 2020;
- ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of acquisition of such ordinary shares;
- the Company has been given authority by its Articles of Incorporation;
- a resolution is passed by the Board that it has authorised the acquisition, that the Company and its subsidiaries will pass the solvency and liquidity test immediately after the acquisition and that from the time that the test is done, there are no material changes to the financial position of the Company or the group;
- at any point in time, the Company and/or its subsidiaries may only appoint one agent to effect any such acquisition;
- the Company and/or its subsidiaries may not acquire any ordinary shares during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of the shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE in writing, prior to the commencement of the prohibited period;
- the Company and its subsidiaries shall not be entitled to acquire ordinary shares issued by the Company if the acquisition of the shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the Company; and
- no voting rights attached to the ordinary shares acquired by the Company's subsidiaries may be exercised while the shares are held by them and they remain subsidiaries of the Company.

The reasons for and effects of this special resolution are fully described in the Explanatory Memorandum.

Special resolution 3: General authority to cancel shares.

It is resolved that the Company and/or any subsidiary is hereby authorised in accordance with Article 12.1 of the Articles of Incorporation of the Company, by way of a general authority, to cancel any shares in the Company (including ordinary shares and/or treasury shares) which the Company holds in itself. This authority shall not extend beyond the next AGM or 15 (fifteen) months from the date of this AGM, whichever date is the earliest.

The reasons for and effects of this special resolution are fully described in the Explanatory Memorandum.

Special resolution 4: Amendments to the Articles of Incorporation

It is resolved that the articles of incorporation of the Company (the "Articles") be amended as set out in the amended version of the Articles attached as Appendix A to this Notice of General Meeting, which amendments are reflected as tracked changes.

The reasons for and effects of this special resolution are fully described in the Explanatory Memorandum.

NON-BINDING ADVISORY VOTES

For each non-binding advisory vote to be passed, it must be supported by more than 75% of the votes cast.

Endorsement of the Company's Remuneration Policy

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

The Board asks the shareholders to cast a non-binding advisory vote on the Company's Remuneration Policy as set out within the Remuneration Committee Report within the Governance section of the Annual Report. The Remuneration Committee will consider the outcome of this vote, although it will not be binding on the Company or the Board.

Endorsement of the Company's Remuneration Implementation Report

The Board asks the shareholders to cast a non-binding advisory vote on the Company's Remuneration Implementation Report as set out within the Remuneration Committee Report within the Governance section of the Annual Report. The Remuneration Committee will consider the outcome of this vote, although it will not be binding on the Company or the Board.

By order of the Board

Computershare Investor Services (Guernsey) Limited

The Pavilions,
Bridgewater Road,
Bristol,
BS99 6ZY
United Kingdom

28 April 2020

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

AGM EXPLANATORY MEMORANDUM

Special resolution 1 - General authority to issue shares for cash

The reason for proposing special resolution number 1 is that the Directors consider it advantageous to have the authority to issue ordinary shares for cash in order to enable the Company to take advantage of any business opportunity which might arise in the future. At present, the Directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate or further funding is required.

Special resolution 2 – General authority to acquire (repurchase) ordinary shares

The reason for and effect of special resolution number 2 is to grant the Company and its subsidiaries a general authority to facilitate the acquisition by the Company and/or its subsidiaries of the Company's ordinary shares, which general authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that this general authority shall not extend beyond 15 (fifteen) months from the date of the passing of this special resolution.

Any decision by the Directors, after considering the effect of an acquisition of up to 20% of the Company's issued ordinary shares, to use the general authority to acquire shares of the Company will be taken with regard to the prevailing market conditions and other factors and provided that, for the period of 12 (twelve) months after such acquisition, the Directors are of the opinion that:

- the Company and the Group will be able to pay their debts in the ordinary course of business;
- recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements which comply with the Companies (Guernsey) Law, 2008, the assets of the Company and the Group will exceed the liabilities of the Company and the Group;
- the share capital and reserves of the Company and the Group will be adequate for the purposes of the business of the Company and the Group; and
- the working capital of the Company and the Group will be adequate for the purposes of the business of the Company and the Group.

The Directors consider that such a general authority in relation to the ordinary shares should be put in place so that, during the year, it will provide the Directors with flexibility to effect a repurchase of the Company's shares, should it be in the interests of the Company to do so whilst the general authority is in power. The Directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any of its subsidiaries to be in a position to acquire the shares issued by the Company through the order book of the JSE or on AIM, should the market conditions, tax dispensation and price justify such an action.

Special resolution 3 – General authority to cancel shares.

The reason for and effect of special resolution number 3 is to grant the Company and its subsidiaries a general authority to cancel any shares in the Company (including ordinary shares and/or treasury shares) which the Company holds in itself. This is so that, if the Company acquires any ordinary shares in itself, then it can reduce the issued share capital of the Company for the benefit of shareholders, whose proportional shareholding would thereafter increase.

Special resolution 4: Amendments to the Articles of Incorporation

The reason for and effect of special resolution number 4 is to make amendments to the Company's Articles: (i) in order to ensure the provisions relating to material shareholding disclosures are consistent with the FCA's Disclosure Guidance and Transparency Rules, which are applicable to the Company now it is listed on AIM, and (ii) to incorporate shareholders' authority and pre-emption rights on the issue of shares broadly equivalent to those in the UK Companies Act 2006, so as to bring the Company in line with other AIM listed companies.

Gemfields Group Limited

NOTICE OF ANNUAL GENERAL MEETING

In relation to item (i), shareholders are advised that the proposed amendments to the Company's Articles state that all shareholders are required to notify the Company of the percentage of the aggregate voting rights he holds as a shareholder, or through his direct or indirect holding of any financial instruments, if the percentage of those aggregate voting rights reaches, exceeds or falls below the thresholds of 3 per cent, 4 per cent, 5 per cent, 6 per cent, 7 per cent, 8 per cent, 9 per cent, and 10 per cent and each 1 per cent threshold thereafter up to 100 per cent as a result of an acquisition or disposal of shares or financial instruments of and relating to the Company. Please contact the Company for any queries relating to this.

In relation to item (ii), shareholders are advised that the proposed amendments to the Company's Articles state that shares issued solely for cash will require a special resolution to be passed and shares issued for non-cash consideration will require an ordinary resolution to be passed. This is in accordance with the JSE Listings Requirements.

DISCLOSURES

The JSE Listings Requirements require, in terms of paragraph 11.26, the following disclosures in relation to a special resolution, which appear on the Company's website at www.gemfieldsgroup.com:

- Major shareholders – refer to the Directors' Report of the 2019 Annual Report which appears on the Company's website at www.gemfieldsgroup.com;
- Directors' interests in securities – refer to the Directors' Report of the 2019 Annual Report which appears on the Company's website at www.gemfieldsgroup.com; and
- Share capital of the Company – There are 1,168,756,030 ordinary shares of USD 0.00001 each and 2 management shares of USD 1 each.

Directors' Responsibility Statement

The Directors, whose names appear in the Directors' Report of the 2019 Annual Report, which appears on the Company's website at www.gemfieldsgroup.com, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law, the JSE Listings Requirements and the AIM Rules for Companies.

Material changes

Other than the facts and developments reported on in terms hereof, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the latest Audit Report and up to the date of the notice of AGM.