



PETRA DIAMONDS BELGIUM
Lange Herentalsestraat 62-70
2018 Antwerpen

ROUGH DIAMOND TENDER TERMS AND CONDITIONS

Section A – Preamble

1. Petra Diamonds Ltd (“Petra”, or “the Company”, or “the Group”) controls, whether directly or jointly, and operates the Williamson Diamond mine in Tanzania (referred to as “WDL”) and the South African diamond mines comprising Finsch, Cullinan and Koffiefontein and render sales & marketing services to other independent producers including, but not limited to, Helam Mining (Pty) Ltd, Sedibeng Diamond Mine JV and Star Diamonds (Pty) Ltd (collective referred to as “the SA Mines”).
2. Petra owns and operates a registered diamond trading entity, Petra Diamonds Belgium BVBA (“Petra Belgium”), based in Antwerp, Belgium.
3. In addition to production from the SA Mines that is not acquired at the SA DEEC (as defined below), rough diamonds from WDL are made available to registered Clients and their representatives and are offered for sale by way of tender at Petra Belgium, with bids captured on Petra’s Online Bidding Platform (“OBP”) accessible at www.petradiamonds-bids.com.
4. Petra will set the final reserve prices, which will remain confidential and undisclosed, for Sales Lots with reference to its own internal valuations.

The following paragraphs are only relevant to the SA Mines:

5. Rough diamonds from the SA Mines are made available to registered Clients and their representatives for previewing purposes only at Petra’s sales and marketing offices in Johannesburg, whereafter the parcels of rough diamonds are offered for sale to South African incorporated entities by way of tender held at the South African Diamond Export and Exchange Centre (“the SA DEEC”) and facilitated by the South African Diamonds and Precious Metals Regulator (“SADPMR”).



6. Certain of Petra's non-South African Clients have expressed their wish to offer bids on parcels available for sale.
7. Petra Belgium have agreed to administer the non-South African Client bidding process by accepting bids from non-South African Clients on parcels from the SA Mines through Petra's OBP.
8. Petra is obliged and remains committed to offer parcels from the SA Mines for sale by way of tender at the SA DEEC. As such, South African-based Clients will not be allowed to participate in Petra Belgium's bidding process through Petra's OBP; South African Clients must enter their bids at the relevant SA Mines' tenders at the SA DEEC according to the prevailing tender terms and conditions.
9. Non-South African Clients can enter bids either through Petra Belgium's OBP, or at the SA DEEC, or both provided that bids lodged at the DEEC must be done through a South African incorporated licensee (holder of a diamond dealers licence or diamond beneficiation licence) and according to the prevailing tender terms and conditions.
10. Petra Belgium's cut-off times for accepting bids from non-South African Clients will be administered in such a way that Petra can consider the highest bid received through this mechanism prior to setting its final reserves at the SA DEEC.
11. Petra will set the final reserve prices, which will remain confidential and undisclosed, for Sales Lots at the SA DEEC tender with reference to both its own internal valuations and the leading bids received via the OBP.

Section B – Registration of Clients (users) on the OBP

1. A non-South African Client wishing to participate in bidding through Petra's OBP must send a request to support@petradiamonds.com.
2. Upon receipt of the request, Petra will forward the required forms to be completed and returned, including certain Know Your Customer (KYC) information and a list of supporting documentation required; the complete set of documents must be returned to Petra at support@petradiamonds.com.
3. The Client undertakes that it will notify Petra immediately should any of the information supplied in the original set of documents become outdated, and will furnish a new set of documents, clearly indicating such updated information, without delay.



4. After reviewing the duly completed set of documents Petra will consider, in its absolute and sole discretion, whether the application is successful, and notify the Client of the outcome.
5. Upon registration of a successful Client's log-in details on the OBP, a system generated email from the OBP will be sent to the Client with a request to log on to the OBP to complete the registration.
6. Petra agrees not to disclose any registration information provided by the Client (either as part of the initial registration process or subsequently) except in the normal course of business.

Section C – Notification of Tenders – Open for Bidding & Sales Lots

1. Registered Clients will be notified by email when the respective WDL and/or SA Mines' parcels available for bidding have been uploaded to the OBP and are open for capturing of bids from Clients, as well as the relevant closing time for each mine's tender.
2. Each of the respective mines' goods and list of parcels available for bidding will be kept separate and must be accessed on the OBP with specific reference to the actual mine's bidding page for purposes of capturing bids.
3. The parcels available for bidding contains a list of all Sales Lots, i.e. the parcels into which the goods on offer are sorted for the purposes of the sale, the description and weight of the parcels and a unique Sales Lot number, and for SA Mines only also referencing the equivalent SA DEEC lot number assigned to each Sales Lot.
4. Sales Lots will be sold as a whole and shall not be mixed or split, unless Petra determines otherwise.

Section D – Capturing of bids on OBP

1. Bids must be submitted online using Petra's OBP.
2. Closing times for capturing of bids for each of the respective mines' participants are clearly indicated for each mine; it is important to note that not all of the mines' bidding cycles close at the same time.
3. The respective bidding will close automatically at the preset closure time where after no more bids can be captured and submitted.
4. The accepted weight of diamonds offered and bid upon will be the weight as stated on the "Parcels available for tender" forms. Weight changes which may occur as a



result of dust losses, broken stones and/or scale variances, will be recognized on final sales invoices.

5. Bids can either be captured in US Dollars per Sales Lot or US Dollar per carat; in case of the latter, the system will calculate the gross US Dollar amount per Sales Lot. Subsequent sales invoices for accepted bids will reflect the gross US Dollar amount of the winning bid which will not be restated to reflect possible weight changes as mentioned above. As a result, the US Dollar per carat may indicate slightly different amounts to those entered in the bidding stage.
6. An offer to purchase may contain multiple bids across various Sales Lots. A bid will be made with reference to an individual Sales Lot and not in respect of a combination of lots. Only one bid per Sales Lot per bidder will be allowed. Each individual bid per Sales Lot will be regarded as an irrevocable offer to purchase.
7. Bidders may amend or cancel their bids until the deadline stated and/or the OBP are open for capturing, whereafter all bids will be final, binding and irrevocable. No bids will be entertained after the sale deadline.
8. Where a bidding customer is unable to submit a bid through the OBP (whether due to a failure of equipment or of the bidding customer, or any other person or due to difficulties in internet connection or otherwise howsoever) Petra Belgium, in its absolute discretion, will be entitled to accept bids from the bidding customer via email, support@petradiamonds.com and will capture the customer bids online as per instruction. No late bids will be accepted.
9. In the event that a customer experiences any difficulty in accessing the OBP or needs assistance regarding the bidding process, assistance for access and/or bidding are available at support@petradiamonds.com
10. Petra Belgium is not responsible for any bid which is not captured whether as a result of the customer internet connection, the OBP or any reason whatsoever.
11. Petra Belgium will not be held liable for any losses due to mistakes/errors from any Client on bids captured and submitted.
12. Bids will only be accepted when the Terms & Conditions on the OBP are accepted by the Client. By participating in bidding process each bidder confirms that it has read the terms and conditions and agrees to be bound by them.
- 13. Although the bid limit function on the OBP is available, Petra Belgium does not utilise this function. Therefore Petra Belgium advises clients to not use this function as Petra Belgium will not be held liable.**



Section E – Reserves & Confidentiality

1. Both the Client and Petra, and their representatives will treat all bids received as highly confidential and will not disclose any information about the bidding process to any party whatsoever except in the normal course of business.

Section F – Processing & Closing of Tender

1. If the status of the OBP indicates “Processing” the tender is closed and no bids can be added or changed, Petra is evaluating all bids and, if relevant, final SA DEEC results, before finalising this stage of the bidding process. Clients will be able to view their bids but will not be able add, delete or amend any of the bids previously submitted.
2. In the event that more than one bidder (on the OBP) makes the same leading bid, then such bidder(s) will be notified and afforded the opportunity to increase their respective bids in writing within one hour of such notification.
3. For SA Mines - in the event of a tied bid between the DEEC tender process and the OBP, the DEEC process will take preference.
4. All bidders will be notified whether any of their bids are successful and accepted by Petra following the conclusion of the tender process. **Sales invoices will be issued based on final bidding results. For SA Mines, successful bidders must, within one hour of notification, indicate final invoicing and delivery details by way of e-mail to stephanie.hulett@petradiamonds.com. Once this process has been completed, all individual sales transactions are final and binding on all parties.**
5. Should a successful bidder, after tender award, dispute the validity of its bid, citing that he/she made a mistake, Petra may, at its sole and absolute discretion, enter into discussions with the affected client. Petra reserves its rights to enforce the bid(s) as entered, with specific reference to Section D-11 above. Any such discussions will only be entertained if a client can submit evidence and/or explanations to the satisfaction of Petra that a *bona fide* error has been made. Any remedies or revised terms which Petra may propose to settle such a dispute, which may include a penalty being levied, will be full and final. The rights of other bidders will also be duly considered and Petra will not settle upon a price equal to or below the price offered by a second-placed bidder on any parcel. If the revised terms are not acceptable to Petra or the client, the client agrees to honor its original bid in full.



Section G – Invoicing and Payment

1. All invoices will be issued in US Dollars and must be settled in the same currency. As mentioned in Section D, subsequent sales invoices for accepted bids will reflect the gross US Dollar amount of the winning bid which will not be restated to reflect possible weight changes. As a result, the US Dollar per carat may indicate slightly different amounts to those entered in the bidding stage.
2. Petra will issue relevant sales invoices within 2 (TWO) business days from the final tender award in respect of all sales lots to be acquired by the successful bidder. Separate sales invoices will be issued per producer and will set out the relevant Sales Lot numbers and final sale weight of all lots bought per producer, and the total amount payable in USD.
3. As security for amounts due and payable, all diamonds sold will remain the property of, and in possession of, the seller until full payment thereof is received and reflected in the seller's nominated bank account. No delivery of the sold goods will be made until payment has been received in full. No return of goods after delivery shall be accepted.
4. Each successful bidder shall, within 48 hours of receipt of an invoice from Petra, pay the full amount due, in US Dollars, by electronic bank transfer to the bank account designated in that invoice, without any deduction, withholding or set off. If full payment is not received within the time period specified then Petra may, without prejudice to any of its other rights in law and at its sole and absolute discretion:
 - a. claim immediate specific performance from the successful bidder;
 - b. summarily cancel the sales transaction with the relevant bidder;
 - c. exclude that bidder, including any parties related to that bidder, from participation in any future tender or sale;
 - d. charge interest at the Libor Rate plus 5%; and/or
 - e. hold the bidder liable for any damages incurred by Petra.
5. The Client must ensure when making payment that all bank charges are for the account of the payee (i.e. the Client). Petra will not be held responsible for any bank charges incurred.

Section H – Exports (relevant to SA Mines only)

1. **All direct costs relating to the export and delivery of parcels from South Africa to the successful bidder will be for the account of the successful bidder.**



2. **Petra will facilitate the export and delivery and will recover all export costs pertaining to the SA Diamonds and Precious Metals Regulator (SADPMR) costs, by way of separate invoice to the successful bidder, payable in full within 48 hours of invoicing and without set off directly to Petra.**
3. **SA Diamonds and Precious Metals Regulator (SADPMR) – Export Cost Calculation**
These costs include, but will not be limited to:
 - a. **Local taxes and duties;**
 - b. **Kimberley Process certification costs including:**
 - i. **SA Diamonds and Precious Metals Regulator (SADPMR) imposed fees in terms of Regulation 10(2) of the South African Diamonds Act 56 of 1986 which consist of:**
 - ii. **0.15% of value plus \$150 per shipment/invoice for the examination and evaluation of unpolished diamonds for export; and**
 - iii. **\$150 per shipment/invoice aggregated per producer per Client for the registration of export of rough diamonds.**
 - c. **Courier/Handling Costs (Petra's preferred service provider: Malca Amit):**
 - i. **Handling, freight and courier charges; and**
 - ii. **Insurances**
4. **Prospective bidders must familiarise themselves with the nature and quantity of these charges as Petra will not be able to confirm or advise in this regard.**
5. The sale and delivery will be subject to all export releases, permissions, authorities and clearances. If these are not obtained timeously Petra reserves the right, without limitation to any alternative remedies or approaches, to cancel the sale and refund the purchase price with no further claims between the parties.
6. Shipment will take place at the risk, liability and cost of the successful bidder. All parcels to be exported will be shipped separately (i.e. parcels from different producers/mines cannot be combined for export purposes) per producer.
7. Malca Amit is Petra Diamonds' preferred service provider with regards to all exports but Petra reserves the right to utilise other service providers in this regard.
8. Please note that all exports are to leave South Africa within 10 working days after closing of tenders and, failing which, may be subjected to relevant SARS export levies (currently 5% of total invoice value) which the client must settle directly with the relevant authorities.



Section I – Indemnity by Indian Clients

1. All Clients who are Indian tax residents or whom export rough diamonds purchased through the online platform to an Indian address are potentially liable for the Equalization Levy imposed by the Indian government.
2. The aforesaid Clients hereby indemnify, and hold harmless, Petra Diamonds and its associated companies against any claim that the Indian Government may have as a result of the implementation of the Equalization Levy.
3. Petra reserves the right to implement or charge the Equalization Levy to the relevant Clients at any point, without notice, should such a requirement be imposed by the Indian government.

Section J - General

1. Where a bidding Client has placed bids in a tender on behalf of any other Client, the bidding Client accepts ultimate liability for the payment of such invoice.
2. Petra Belgium shall have absolute discretion in relation to the bidding, including without limitation:
 - a. the right to change the schedule of any Sale,
 - b. the right to withdraw from the Sale any Lots at any stage prior to the closing time of the Sale,
 - c. the right to prevent any Client from accessing the OBP, and
 - d. the right to reject any bid that is not made in accordance with the Terms & Conditions at any stage.
3. Petra reserves the right to, in its sole and absolute discretion:
 - a. Unilaterally amend the terms and conditions set out in this document or of the bidding process;
 - b. Unilaterally vary or amend the procedure or timetable in regard to the bidding process;
 - c. Withdraw parcels and/or stones from the bidding process;
 - d. Accept any alternative bid if the Petra reserve price is not met or not accept any bid at all. These alternative bids may be sourced privately by Petra through means other than the OBP.



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- e. Under any circumstances, accept any alternative bid, or not accept any bid at all, if the terms and conditions of Petra Diamonds in relation to the bidding process are not met to the satisfaction of Petra Diamonds.

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