

DATED

2020

(1) TEICHMANN COMPANY LIMITED

AND

(2) BLUEROCK DIAMONDS PLC

AND

(3) S.P. ANGEL CORPORATE FINANCE LLP

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RELATIONSHIP AGREEMENT

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THIS DEED is made on

2020

BY:

- (1) **TEICHMANN COMPANY LIMITED**, incorporated in Mauritius with number 103528 C1/GBL, whose registered office is at No.2, Quartier des Terminalias, Labourdonnais, Mapou, Rivière du Rempart, 31803, Mauritius (the "**Shareholder**");

IN FAVOUR OF:

- (2) **BLUEROCK DIAMONDS PLC**, incorporated in the England with number 08248437, whose registered office is at 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS ("**BRD**" or the "**Company**"); and
- (3) **S.P. ANGEL CORPORATE FINANCE LLP**, incorporated in England with number OC317049, whose registered office is at Prince Frederick House 4th Floor, 35-39 Maddox Street, London, W1S 2PP ("**SP Angel**").

WHEREAS:

- (A) The Company's issued ordinary share capital is admitted to trading on London Stock Exchange's AIM market.
- (B) The Company is seeking to raise further finance by way of the placing with institutional and/or other investors of the Placing Shares (the "**Placing**").
- (C) The Company has asked SP Angel and the Shareholder to enter into this document as a Deed in anticipation of the Shareholder subscribing for additional shares pursuant to the Placing such that the Shareholder will, following the Placing, hold up to 29.9% of the Company's issued ordinary share capital (the "**Teichmann Subscription**"), to manage the relationship between them.

**THE SHAREHOLDER AGREES AND UNDERTAKES TO THE COMPANY AND SP ANGEL AS FOLLOWS:**

**1. INTERPRETATION**

1.1 In this document:

"**AIM**" means AIM, a market operated by the Exchange;

"**AIM Rules**" means the "AIM Rules for Companies" as published by the London Stock Exchange from time to time;

"**Board**" means the Company's board of directors;

"**Board Reserved Matter**" means a matter listed in Schedule 1;

"**Business Day**" means any day which is not a Saturday or Sunday or a bank or other public holiday in England;

"**Directors**" means the Company's directors;

"**Exchange**" means the London Stock Exchange;

**“Group”** means the group of undertakings of which the Company is the parent undertaking, from time to time;

**“Group Member”** means a member of the Group;

**“Independent Directors”** means each of the following persons (in each case only for so long as they are a Director):

- (a) Michael Houston, Tim Leslie, David Facey and Gus Simbanegavi;
- (b) any non-executive Director who is to be treated as independent in accordance with the UK Corporate Governance Code (or would be so treated were that Code to apply to the Company);
- (c) any non-executive Director who is not the Shareholder nor directly or indirectly connected to or (but for their status as a Director) associated with:
  - (i) the Shareholder; nor
  - (ii) any significant investor in the Company; nor
  - (iii) any professional adviser or lender to the Company; nor
  - (iv) any organisation with whom the Company or the Shareholder has a significant business relationship; and
- (d) any Director whom any Independent Director and SP Angel (acting together) notify the Shareholder is to be treated as an Independent Director for the purposes of this document including any Executive Director who is independent of the Shareholder.

**“Ordinary Shares”** means ordinary shares in the Company;

**“Placing Shares”** means new Ordinary Shares to be allotted and issued pursuant to the Placing;

**“QCA Code”** means the Corporate Governance Code published by the Quoted Companies Alliance;

**“Shareholder Associate”** means any of:

- (a) any subsidiary or holding company of the Shareholder and each and any subsidiary of a holding company of the Shareholder;
- (b) any company in whose equity securities the Shareholder is directly or indirectly interested (or has a conditional or contingent entitlement to become interested) so that it is (or would on the fulfilment of the condition or the occurrence of the contingency be) able:
  - (i) to direct or cause the direction of the management and/or policies of such company;
  - (ii) to exercise or control the exercise of 30% or more of the votes able to be cast at that company’s general meetings on all, or substantially all, matters; or
  - (iii) to appoint or remove directors holding a majority of voting rights at that company’s board meetings on all, or substantially all, matters;

- (c) any partnership (including a limited liability partnership) of which the Shareholder is a member;
- (d) each of the persons listed in Schedule 2; and
- (e) any person connected (within the meaning given in sections 1122 - 1123 of the UK Corporation Tax Act 2010) with any of the persons in (a) to (d) above (including any investment company of any such persons or any other entity through which any of the above persons makes any investment).

**"Shareholder Person"** means the Shareholder (or a Shareholder Associate in respect of the Shareholder);

**"Standstill Period"** means the total period from and including the date the aggregate number of Ordinary Shares in which the Shareholder is interested is at least 20% of the Ordinary Shares then in issue.

**"Takeover Code"** means the City Code on Takeovers and Mergers that is issued and administered by the Panel on Takeovers and Mergers (the **"Takeover Panel"**), a body with statutory functions under UK law set out in Part 28 of the UK Companies Act 2006.

1.2 In this document:

- (a) headings are for convenience only and do not affect the construction of this document;
- (b) references to Clauses are to the clauses of this document;
- (c) words denoting the singular include the plural and vice versa, words importing gender include all genders and words denoting persons include corporations, unincorporated associations and partnerships;
- (d) references to any statute or statutory provision include any statutory modification re-enactment of it (in each case as in force at the applicable time) and any subordinate legislation made under it;
- (e) the meaning of general words introduced by "other", "include" or "including" is not restricted as a result of them being preceded by words indicating a particular class of acts, matters or things or being followed by particular examples intended to be embraced by the general words;
- (f) any reference to any English legal term in relation to any legal concept shall, in respect of any jurisdiction other than England and Wales, be deemed to include an additional and separate reference to the legal concept which in that jurisdiction most nearly corresponds or approximates to that English legal term;
- (g) **"Party"** means any and each of the Shareholder, SP Angel and BRD, unless the context requires otherwise; and
- (h) references to hours of the day are to the time as it is in England and any cross-reference to a particular time mentioned elsewhere in this document is to such time on the relevant date.

## 2. TEICHMANN SUBSCRIPTION

If the Teichmann Subscription has not occurred by 11.59 p.m. on 30 April 2020 the following Clauses shall cease to have further effect:

- (a) Clause 3 - "Main Undertakings";
- (b) Clause 4 - "Referral of acquisition opportunities";
- (c) Clause 5 - "Standstill"; and
- (d) Clause 6 - "Shareholder Associates".

## 3. MAIN UNDERTAKINGS

- 3.1 Until the expiry of the Standstill Period, the Shareholder shall exercise all voting rights and voting power and all other powers of influence or control that it has in relation to Group Members and shall abstain (where appropriate) from the exercise of such powers in such a way so as to ensure that (in so far as it is able to do so):

### Independent Operation

- (a) each Group Member is capable at all times of carrying on its business independently of all Shareholder Persons (other than, in relation to the Shareholder, by any representative of it acting in their capacity as a director or an employee of a Group Member); and

### Arm's Length Transactions

- (b) all transactions, agreements or arrangements entered into between a Group Member (on the one hand) and a Shareholder Person (on the other) will only be made:
  - (i) at arm's length;
  - (ii) on a normal commercial basis; and
  - (iii) with the prior approval (confirmed in writing) of the Independent Directors and, if there is only one, with SP Angel's prior written consent also; and

### Independent Directors

- (c) there are at least two Independent Director;

### Constitution

- (e) no changes are made to the Company's articles of association which would impede the Company's ability to carry on its business independently of any Shareholder Person; and

### Board Reserved Matters

- (f) only the Independent Directors shall be permitted to vote on any resolution of the board in respect of a Board Reserved Matter (unless all the Independent Directors otherwise consent), but for the avoidance of doubt this shall exclude any matter

relating to the Shareholder (in any representative of its capacity as an employee of the Company) required to be considered and approved by the Audit Committee.

**Conflicts of Interest**

- (g) Unless a majority of the Independent Directors approve, it does not vote on any matter:
  - (i) in which it or its Shareholder Associates are interested (otherwise than by virtue of its Shareholding); or
  - (ii) in respect of which there is an actual or potential conflict between its interests (or the interests of any of its Shareholder Associates) on the one hand and the interests of any Group Company on the other.

3.2 Until the expiry of the Standstill Period, the Shareholder shall (so far as it is able to do so):

**AIM Rules and Corporate Governance**

- (a) comply with the AIM Rules in relation to the Company insofar as applicable to it;
- (b) not do anything which would or could reasonably be expected to prevent the Company from complying with the AIM Rules;
- (c) not do anything which would or could reasonably be expected to prevent the Company from complying with the QCA Code;

**Constitution**

- (d) comply with all provisions in the Company's articles of association, including those relating to the disclosure of interests in shares;

**Protection of the Group's Business**

- (e) unless approved by the directors, which will not be unreasonably withheld not be engaged or concerned or directly or indirectly interested (whether alone or in conjunction with or on behalf of any other person and in whatever capacity) in carrying on any business, in any jurisdiction in which any Group Company carries on business as at the date hereof, which competes with any business carried on by any Group Company.
- (f) for the avoidance of doubt, (e) shall not prevent a Shareholder Person from (i) being interested in shares in a company if such shares are listed or traded on a recognised investment or stock exchange and confer not more than 5 per cent of the votes which could normally be cast at a general meeting of that company or (ii) carrying on its own business as it is carried on as at the date of this document.

**No Acquisition of Shares in Group Members**

- (g) not acquire any shareholding in any Group Member other than the Company;

**No Announcements**

- (h) not make or cause to be made any public announcement relating to the Group nor release or cause the release of any such information into the public domain (other than in accordance with a prior Board decision recorded in writing);

**No Market Abuse**

- (i) not contravene Part V of the UK Criminal Justice Act 1993 (concerning insider dealing) or the Market Abuse Regulation (EU 596/2014);

**No Release of Group Confidential Information**

- (j) keep confidential any information in its possession that is confidential to any Group Member and/or SP Angel save to the extent such information is required to be disclosed by law, court order, a governmental agency or in accordance with the Company's obligations as a public company whose shares are traded on a recognised stock exchange (including, the AIM Rules and the Market Abuse Regulation (EU 596/2014)); and
- (k) not use any such information for any inappropriate purpose;

**No Solicitation of Group Staff**

- (l) not recruit or solicit or entice away any employee of any Group Member.

**4. REFERRAL OF ACQUISITION OPPORTUNITIES**

4.1 In this Clause a "Group Acquisition Opportunity" is an opportunity to acquire a business (or a company that owns a business or an interest in any business) that is involved in diamond mining in sub-Saharan Africa that:

- (a) if acquired by a Group Member, would or could reasonably be expected following the Placing to be complementary or an enhancement to the Group's operations; and
- (b) in the Shareholder's view (were it to consider this point), could be of interest to the Company and is or may be achievable so far as the Company is concerned.

4.2 The Shareholder shall:

- (a) notify the Independent Directors and, if different, the Board's chairman and SP Angel (for so long as they are an adviser to the Company) of any Group Acquisition Opportunity within five Business Days of becoming aware of it;
- (b) on an on-going basis provide the Company (to the extent that it is able to do so) with reasonable details of that Group Acquisition Opportunity; and
- (c) take reasonable steps not to accept any obligation which would prevent it from complying with this Clause 4.2 or Clause 4.3.

4.3 The Shareholder shall take active steps to pursue any Group Acquisition Opportunity until the tenth Business Day after they have given the notice(s) that they are required to give in respect of it under Clause 4.2.

4.4 The Shareholder shall be required to comply with Clauses 4.2 and 4.3 for so long as:

- (a) the Shareholder and any Shareholder Person, either collectively or individually, is interested in rights attaching to a number of Ordinary Shares representing 20 per cent or more of the voting rights at a shareholders meeting of the Company; and
- (b) the Ordinary Shares are admitted to trading on AIM.

4.5 In the event that either of the conditions in Clause 4.4 ceases to be satisfied, the Shareholder shall not be required to comply with Clause 4.2 or 4.3.

**5. STANDSTILL**

5.1 In this document:

**"Deal"** as in "dealing" means taking any action (including entering, or offering or inviting someone to enter, into an agreement) to effect:

- (a) the acquisition or disposal of securities, or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
- (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise or variation of an option (including a traded option contract) in respect of any securities;
- (c) the subscription for securities;
- (d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- (e) the acquisition of, disposal of, entering into, closing out, exercise of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- (f) the termination or variation of the terms of any agreement to purchase or sell securities; or
- (g) (or which may result in) an increase or decrease in the number of securities in which a person is interested or in respect of which it has a short position,

or taking any other action which would constitute a "dealing" for the purposes of the Takeover Code;

**"Interest"** as in "interest in the Company's shares" has the meaning given to it for the purpose of Part 22 of the UK Companies Act 2006, and other terms and phrases have, where applicable, the meanings that they have in that Act or in the Takeover Code; and

**"Relevant Securities"** means (1) Ordinary Shares, (2) any other securities issued by the Company which carry the right to vote at general meetings of the Company, (3) other shares in the Company's equity share capital, and (4) any securities issued by any person carrying conversation or subscription rights into any other such relevant securities.

5.2 The Shareholder confirms that:

- (a) it does not have any holdings or positions in any relevant securities nor any interests in any of the Company shares; and
- (b) so far as it is aware, no Shareholder Person has any holdings or positions in any relevant securities nor any interests in any shares in the Company,

save for the 19% that the Shareholder holds on the date of this document.

5.3 For a period of 24 months from the date of this document, the Shareholder shall not:



- (a) acquire any shares in the Company or acquire any other interest in any such shares (other than by subscribing pursuant to the Teichmann Subscription); nor
- (b) deal, or be a party to any dealing, in any such shares or in any other relevant securities (other than by so subscribing pursuant to the Teichmann Subscription or by dealing in compliance with the Company's share dealing code as may be adopted from time to time); nor
- (c) offer to acquire any shares in the Company or announce any intention to do so or announce that it is considering doing so or obtain any undertaking or other commitment to accept any offer by it for any such shares, or seek to do so; nor
- (d) initiate or continue any discussion on any matter concerning or relating to any Group Member with any person whom it believes is an investor in the Company (being a person who invests in any form of relevant securities) or is intending to become an investor in the Company, or seek to communicate with any such person about any such matter,

other than:

- (A) with the Company's prior written consent acting through its Independent Directors and, if there is only one, with SP Angel's prior written consent also; or
- (B) as otherwise permitted under this document.

5.4 During the Standstill Period the Shareholder will not assist, solicit or encourage:

- (a) the making of any offer to acquire any shares in the Company by anyone else; nor
- (b) the acquisition of any shares in the Company, or any interest in any such shares, by anyone else; nor
- (c) any dealing in relevant securities by anyone else,

other than:

- (A) with the Company's prior written consent acting through its Independent Directors and, if there is only one, with SP Angel's prior written consent also; or
- (B) as otherwise permitted under this document.

5.5 All the restrictions in Clause 5.3 and Clause 5.4 will cease to apply on the earlier of:

- (a) the Board (acting through the Independent Directors) and the Shareholder making a joint announcement in accordance with Rule 2.7 of the Takeover Code that a Shareholder Person is to make a takeover offer for the Company's relevant issued ordinary share capital which is to be recommended unanimously by the Independent Directors, the making of which is not subject to any pre-conditions and the financial terms of which are confirmed to be fair and reasonable by the Board's independent advisers appointed in compliance with Rule 3.1 of the Takeover Code; and
- (b) the making of an announcement in accordance with Rule 2.7 of the Takeover Code by a bona fide offeror for the purposes of the Takeover Code which is not (and is not treated as being) the Shareholder's "concert party" for the purposes of the Takeover Code that it is to make a takeover offer for the whole of the Company's

issued ordinary share capital not already owned by it (the making of which is not subject to any pre-conditions).

- 5.6 A Shareholder Person may acquire interests in additional Ordinary Shares so as to increase the total percentage of the Ordinary Shares then in issue in which Shareholder Persons (taken together) are then interested to no more than 29.9%, subject to that Shareholder Person and all its Shareholder Associates complying with their respective obligations in respect of such acquisitions under the Company's articles of association, law and the Takeover Code.

## 6. SHAREHOLDER ASSOCIATES

The Shareholder shall ensure that each of its Shareholder Associates complies in all relevant respects with each provision in Clause 3 (**Main undertakings**), Clause 4 (**Referral of acquisition opportunities**) and Clause 5 (**Standstill**) as if such Shareholder Person was an additional party to this document and as if each reference to such Shareholder in those provisions contained (where applicable) an additional and separate reference to such Shareholder Associate.

## 7. NOTICES

- 7.1 Any notice to be given under or for the purposes of this document shall be in writing for the attention of the person stated below and served personally or sent (within the UK) by pre-paid registered mail to the respective address stated at the beginning of this document or by email as set out below (with the email to be headed "BRD Relationship Agreement - notice under Clause 7.1"), or as the person required to receive such notice may otherwise from time to time notify to the other person giving the notice:

	<b>Attention</b>	<b>Email</b>
<b>Shareholder</b>	Claude Holton	ClaudeH@teichmanngrp.com
<b>Company</b>	David Facey	dfacey@bluerockdiamonds.co.uk
<b>SP Angel</b>	Stuart Gledhill	<a href="mailto:stuart.gledhill@spangel.co.uk">stuart.gledhill@spangel.co.uk</a>

- 7.2 Any such written notice shall be deemed to have been served:

- (a) if delivered personally, at the time of delivery;
- (b) if posted in the same country as the delivery address, at 10.00 a.m. on the second Business Day after it was put pre-paid into the post;
- (c) if posted within the UK to an address in the other of such territory, at 10.00 a.m. (local time) on the fifth Business Day after it was put pre-paid into the post by airmail; and
- (d) if sent by email, at the time of effective transmission.

- 7.3 In proving such service by post it shall be sufficient to prove that the letter containing the notice was properly addressed and delivered or put into the post as a pre-paid registered letter (sent, if overseas, by airmail).

## 8. GENERAL

- 8.1 **Consideration** - each of the Company and SP Angel agrees to pay one pound (£1.00) only to any other party to this document, if demanded by that party, in consideration of that party entering into the agreement contained in this document. All rights exercisable by SP Angel under this document are exercisable by it entirely at its discretion without any obligation on its part to any person to exercise any such right or as to the manner in or extent to which it does so, or omits to do so. SP Angel will not be liable to anyone for any act or omission of any kind on their part, or for any exercise of SP Angel's discretion in any way, in respect of any such rights.
- 8.2 **Equitable remedies** – the Shareholder confirms that, if it breaches a provision in this document or if the other party has reasonable grounds for anticipating that a breach of any such provision may occur:
- (a) damages may not be a wholly adequate remedy for such breach or anticipated breach; and
  - (b) the appropriate remedy may be an injunction, specific performance or other equitable relief (in addition to or instead of damages).
- 8.3 **Invalidity** - if any provision in this document is held to be illegal, invalid or unenforceable (in whole or in part), it shall be deemed not to form part of the agreement recorded by this document but the remaining provisions in this document shall continue in full force and effect.
- 8.4 **No third party rights** - no term of this document is enforceable by any person other than the Company or SP Angel whether pursuant to the Contracts (Rights of Third Parties) Act 1999 of England, Wales and Northern Ireland or otherwise. This document may be rescinded, or varied in any respect, by agreement between its parties without the need for any consent from any third party (including any other Group Member or any other Shareholder Person). This document may also be terminated in accordance with its terms without the need for any consent from any third party.
- 8.5 **Waivers** - no neglect, delay or indulgence on the Company's part in enforcing any right or remedy in respect of this document shall be construed as a waiver of any such right or remedy. No single or partial exercise of any right or remedy on its part shall preclude or restrict the further exercise or enforcement of any such right or remedy. No consent or approval which may be given by the Company for the purpose of this document shall constitute a waiver by it of any breach of this document by the other party unless and to the extent that such consent or approval is expressed to do so.
- 8.6 **Whole agreement and variation** - this document (together with any documents referred to in it) constitutes the whole agreement between its parties and, with effect from the date of this document, supersedes any earlier arrangement or agreement between them relating to its subject matter.

## 9. GOVERNING LAW

- 9.1 This document is governed by, and is to be construed in accordance with, English law. The courts of England have exclusive jurisdiction to hear and decide and settle any action, dispute, proceedings or suit which may arise out of or in connection with this document (collectively "Litigation") and, for these purposes, each party irrevocably submits to the exclusive jurisdiction of the courts of England.

- 9.2 Each party irrevocably waives any objection which he or it might have to the courts of England being nominated as the forum for Litigation and agrees not to claim that the courts of England are not a convenient or appropriate forum for it. A judgement or order of the courts of England in respect of any Litigation will be conclusive and binding on the party or parties against whom it is made and may be enforced against it or them in the courts of any other jurisdiction.
- 9.3 This Clause 9 will not limit the rights of the Company and SP Angel to take proceedings in another court of competent jurisdiction for the purpose of enforcement or execution of any judgement or other settlement in such court or where it is itself subject to proceedings in such court which are directly related to the matter which is the subject of the action to be brought by it.
- 9.4 The documents which start any Litigation and any other documents required to be served in relation to it may be served by the Company and/or SP Angel in accordance with Clause 7 (Notices).

**AS WITNESS** the Shareholder has executed this document as a Deed, and each of the Company and SP Angel has entered into the agreement contained in it, with effect on and from the date stated on page 1.

**SCHEDULE 1**

**Board Reserved Matters**

1. Any variation, amendment or novation of any agreement or arrangement with any Shareholder Person, including, without limitation, this deed.
2. Any decision as to whether to enforce any agreement or arrangement with a Shareholder Person, including, without limitation, this deed.
3. The adoption, amendment, replacement or abandonment of the corporate governance regime adopted by the Company from time to time.
4. The adoption, amendment, replacement or abandonment of the terms of reference for any board committee.
5. The cancellation of the admission of the Company's shares to trading on AIM.
6. Any acquisition (or proposed acquisition) by the Company of any interest in shares or assets of any other company.
7. The development of any new mining projects of the Company.

Executed as a Deed by )  
TEICHMANN COMPANY )  
LIMITED )  
acting by a duly authorised )  
signatory in the presence of: )



Witness' signature: Deon Robbertze

Witness' name: Deon Robbertze

(capital letters)

Address: 2 Quartier des Terminalias, Labourdonnais, Mauritius

Occupation: CFO

Executed as a Deed by )  
BLUEROCK DIAMONDS )  
PLC )  
acting by a duly authorised )  
signatory in the presence of: )

*Dave Jessup*

Witness' signature: Lavinia Jessup

Witness' name: Lavinia Jessup

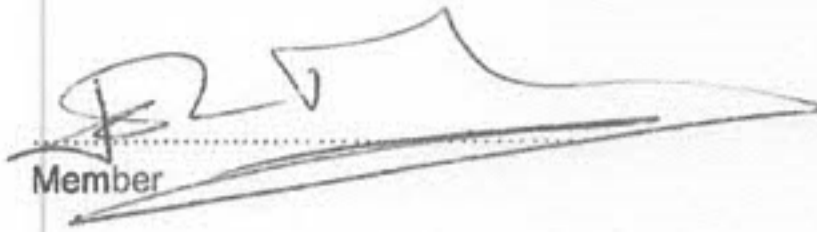
(Capital letters)

Address: 16 Temple Gardens, London, NW11 0LL, UK

Occupation: Accountant

IM Draft: 7.2.20

Executed as a Deed by )  
S.P. ANGEL CORPORATE )  
FINANCE LLP )  
acting by two members: )

  
Member

  
Member