

## HUMAN RESOURCES & COMPENSATION COMMITTEE CHARTER

### 1.0 MANDATE

The primary function of the Human Resources & Compensation Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Dominion Diamond Corporation (the “Company”) in carrying out its responsibilities with respect to the determination of compensation for its directors and officers.

### 2.0 MAJOR RESPONSIBILITIES AND FUNCTIONS

- (a) The Committee shall review on a periodic basis directors’ compensation and make recommendations to the Board as deemed appropriate with respect to such compensation, including the recommendation of grants of deferred share units under the Company’s Deferred Share Unit Plan.
- (b) Annually review, approve and report to the Board on the corporate goals and objectives relevant to the Chief Executive Officer’s (“CEO”) compensation, and evaluate the CEO’s performance in light of these goals and objectives, either as a Committee or together with the other independent directors (as directed by the Board) and make recommendations to the Board (subject to applicable contractual obligations previously approved by the Committee) with respect to the CEO’s compensation level based on this evaluation for the Board’s approval.
- (c) Review and evaluate the CEO’s recommendations with respect to the compensation of the Company’s other named executive officers (together with the CEO, the “NEOs”), and make recommendations to the Board in respect thereof for the Board’s approval.
- (d) Review and evaluate the CEO’s recommendations with respect to the incentive-compensation plans and equity based plans of the Company, including the granting of security-based compensation in accordance with and pursuant to existing compensation plans of the Company, and make recommendations to the Board in respect thereof for the Board’s approval.
- (e) Review and evaluate, in conjunction with the CEO, the Company’s compensation policies and practices, and make recommendations to the Board in respect thereof for the Board’s approval, considering:
  - (i) the objectives of the Company’s compensation program or strategy;
  - (ii) what the compensation program is designed to reward;
  - (iii) each element of compensation and the rationale behind why the Company has decided to pay such element;
  - (iv) how the Company determines the amount for each element;
  - (v) how each element of compensation and the Company’s decisions about that element fit into the Company’s overall compensation objectives and affect decisions about other elements;
  - (vi) the benchmark and its components, including the companies included in the benchmark group and the selection criteria;
  - (vii) performance goals or similar conditions;

- (viii) the implications of the risks associated with the Company's compensation policies and practices; and
  - (ix) the process used to grant share-based or option-based awards and the consideration given to previous grants when considering new grants.
- (f) Review and evaluate (i) all proposed compensation plans; and (ii) all amendments that are not of a housekeeping nature to existing compensation plans of the Company, and make recommendations to the Board in respect thereof for the Board's approval.
- (g) Review, approve and report to the Board in respect of:
- (i) the terms of all contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities;
  - (ii) the making of a loan to any director, officer or employee for any reason whatsoever; and
  - (iii) the Company's policies and practices in compensating employees, including employees who are not executives, as such policies and practices relate to risk management practices and risk taking incentives.
- (h) Review and approve executive compensation disclosure prior to the disclosure of same by the Company to the public.
- (i) Review and evaluate, on a periodic basis, succession planning and make recommendations to the Board in respect thereof for the Board's approval.
- (j) Annually assess the effectiveness and contribution of the Committee, including a consideration of this Charter, and report to the Board in respect thereof.
- (k) Review on a periodic basis, labour relations.

### **3.0 OPERATION OF COMMITTEE**

#### *3.1 Reporting*

The Committee shall report to the Board following each meeting of the Committee.

#### *3.2 Composition of Committee*

The Committee shall consist of not less than 3 directors, all of whom shall qualify as independent directors (in accordance with Section 1.4 of National Instrument 52-110 *Audit Committees*). All members of the Committee will have a working familiarity with compensation and human resources matters and at least one member of the Committee shall be experienced in executive compensation matters.

#### *3.3 Appointment of Committee Members*

Members of the Committee shall be appointed by the Board at the first meeting of the Board held after the annual general meeting of shareholders to hold office until the next annual general meeting of shareholders of the Company or until their successors are appointed, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

#### *3.4 Vacancies*

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

### 3.5 *Chairman*

The Nominating & Corporate Governance Committee will recommend an independent director as Chairman of the Committee to the Board for approval. The Chairman of the Committee shall be appointed by the Board. If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

The Chairman presiding at any meeting shall not have a casting vote.

### 3.6 *Secretary*

The Committee shall appoint a Secretary who need not be a member of the Committee or a director of the Company. The Secretary shall keep minutes of the meetings of the Committee.

### 3.7 *Committee Meetings*

The Committee shall meet at least semi-annually at the call of the Chairman. In addition, a meeting may be called by any director.

Committee meetings may be held in person, by video-conference, by telephone or by any combination of any of the foregoing.

### 3.8 *Notice of Meeting*

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

### 3.9 *Quorum*

A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.

### 3.10 *Attendance at Meetings*

The CEO is expected to be available to attend meetings, but a portion of every meeting will be reserved for in-camera discussion without the CEO, or any other member of management, being present.

The Committee may by specific invitation have other resource persons in attendance.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

### 3.11 *Minutes*

Minutes of Committee meetings shall be sent to all Committee members following each meeting of the Committee.

### 3.12 *Engaging Outside Resources*

The Committee has the authority to (a) engage outside advisors, as it deems advisable, at the expense of the Company, to permit it to carry out its duties, and (b) to approve the arrangements (including, fees and other retention terms) in respect of such services with such outside advisors. The Committee must pre-approve any other services such consulting firms or any of their affiliates provide, at the request of management, to the Company.

**APPROVED** by the Board of Directors of Dominion Diamond Corporation on the 20<sup>th</sup> day of January, 2016.