

## THE BOARD OF DIRECTORS GUIDELINES AND RESPONSIBILITIES

### 1.0 GENERAL

The Board of Directors (the “Board”) of Dominion Diamond Corporation (the “Company”) is responsible for the management of the business and affairs of the Company. To discharge this responsibility, the Board is expected to: (i) appoint a competent executive team; (ii) adopt and monitor the implementation of, and review annually a strategic plan for the business, and (iii) oversee the management of the business, with a view to the best interests of the Company.

### 2.0 SPECIFIC RESPONSIBILITIES

- (a) Establish and maintain an appropriate system of corporate governance including principles, guidelines and practices that are specifically applicable to the Company to ensure the Board functions effectively and independently of management, including reserving a portion of all Board and committee meetings for in camera discussions without management present.
- (b) Appoint the Chief Executive Officer (“CEO”) and senior officers, approve their compensation, and monitor the CEO’s performance against a set of mutually agreed upon corporate objectives directed at maximizing shareholder value.
- (c) Approve the Company’s strategy by: (i) adopting a strategic plan taking into account, among other things, the opportunities and risks of the business; (ii) monitoring the implementation of the strategic plan, and (iii) reviewing, on an annual basis, the strategic plan.
- (d) Ensure that a system is in place to identify principal risks to the Company and ensure implementation of appropriate procedures to manage these risks.
- (e) Ensure that an adequate system of internal controls and management information systems are maintained to safeguard the Company’s assets and the integrity of its financial and other reporting systems.
- (f) Ensure that a comprehensive compensation strategy is maintained which includes competitive industry positioning, weighting of compensation elements and an appropriate relationship between compensation and performance.
- (g) Review and approve the Company’s financial statements and oversee the Company’s compliance with applicable audit, accounting and financial reporting requirements.
- (h) Ensure that processes are maintained to address applicable regulatory, corporate, securities and other compliance matters, and that due diligence processes and appropriate controls are in place with respect to all applicable requirements including, certification requirements regarding the Company’s financial disclosure.
- (i) Adopt a corporate communication policy to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular, and timely public disclosure.
- (j) Approve the slate of directors for nomination to the Board and maintain appropriate practices for the regular evaluation of the effectiveness of the Board, including Board committees and their respective mandates, and the effectiveness of individual directors.

- (k) Maintain a system authorizing and monitoring the limits of authority delegated to management.
- (l) Approve annual operating and capital budgets.
- (m) Review operating and financial performance results relative to established strategic plans, budgets, and objectives.
- (n) Review and consider for approval all amendments or departures proposed by management from established strategic plans, capital and operating budgets, or matters of policy, which diverge from the ordinary course of business.
- (o) Ensure that a process is established that adequately provides for management succession planning, including the appointing, training, and monitoring of senior management.
- (p) Review the integrity of the CEO and other officers and ensure that they foster a corporate culture of ethical practices and integrity.
- (q) Maintain a system for receiving feedback from stakeholders.
- (r) Establish guidelines for the expectations and responsibilities of directors with respect to attendance at Board meetings and advance review of meeting materials.
- (s) In addition to the above, ensure adherence to all other Board responsibilities as set forth in the Company's by-laws and other statutory and regulatory requirements.

### **3.0 OPERATION OF THE BOARD**

#### *3.1 Composition of the Board*

The Board shall consist of persons who possess skills and competencies in areas that are relevant to the Company's activities. At least a majority of the directors shall be individuals who are "independent" directors in accordance with applicable securities laws and stock exchange policies.

#### *3.2 Chairman*

The Board will elect a Chairman annually at the first meeting of the Board following the shareholders' meeting. At any time when the Chairman is not an independent director, the independent directors shall select an independent director to carry out the functions of a Lead Director. The Lead Director would chair regular meetings of the non-management directors and independent directors and assume other responsibilities which the independent directors as a whole have designated.

#### *3.3 Secretary*

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

#### *3.4 Board Meetings*

The Board shall have at least 4 scheduled meetings per year. The Chairman shall develop the agenda for each meeting.

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

The powers of the Board may be exercised at a meeting for which notice has been given and at which a quorum is present or, in appropriate circumstances, by resolution in writing signed by all the directors.

Each scheduled meeting of the Board held in person shall include an executive session with only non-management directors present. At least once per year the executive session shall consist only of the independent directors. The Lead Director or, in his or her absence, another independent director shall preside over all executive sessions.

### 3.5 *Notice of Meeting*

Notice of the time and place of every meeting may be given in writing, by personal delivery, by facsimile or by e-mail to each director in accordance with the by-laws of the Company.

A member may in any manner waive notice of the meeting. Attendance of a director at the meeting shall constitute waiver of notice of the meeting, except where the director 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.

### 3.6 *Quorum*

A majority of directors, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum. At meetings of the Board, resolutions shall be decided by a majority of the votes cast on the resolution.

### 3.7 *Attendance at Meetings*

A portion of each Board meeting will be reserved for in-camera discussion without management and non-independent directors present.

The Board may by specific invitation have other management or resource persons in attendance.

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

### 3.8 *Minutes*

Minutes of Board meetings shall be sent to all directors following each meeting of the Board.

### 3.9 *Engaging Outside Resources*

The Board is empowered to engage outside resources, as it deems advisable, at the expense of the Company.

## **4.0 CHANGES TO THE GUIDELINES**

The Board may, from time to time, permit departures from these guidelines and responsibilities, either prospectively or retrospectively. These guidelines and responsibilities are not intended to give rise to civil liability on the part of the Company or its directors to shareholders, investors, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part. These guidelines and responsibilities may be amended at any time.

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