



SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN DOMINION DIAMOND CORPORATION'S CORPORATE GOVERNANCE PRACTICES AND THE NYSE'S CORPORATE GOVERNANCE STANDARDS

General

The corporate governance rules introduced by the New York Stock Exchange (the "NYSE") allow foreign private issuers, like Dominion Diamond Corporation ("Dominion Diamond"), to follow home country practices on most corporate governance matters. In order to claim such an exemption, however, Dominion Diamond must disclose the significant differences between its corporate governance practices and those required to be followed by U.S. domestic companies under the NYSE corporate governance standards.

Dominion Diamond's corporate governance practices meet all applicable Canadian requirements. Further information about Dominion Diamond's governance practices is included on Dominion Diamond's web site and in its annual reports.

The following is a summary of the significant ways in which Dominion Diamond's corporate governance practices differ from those required to be followed by U.S. domestic issuers under the NYSE's corporate governance standards. Except as described in this summary, Dominion Diamond is in compliance with the NYSE corporate governance standards in all significant respects.

Approval of Equity Compensation Plans

Section 303A.08 of the NYSE's Company Manual requires shareholder approval of all equity compensation plans and material revisions to such plans. The definition of "equity compensation plans" covers plans that provide for the delivery of both newly issued and treasury securities, as well as plans that rely on securities re-acquired in the open market by the issuing company for the purpose of redistribution to employees and directors. The TSX rules provide that the creation of any equity compensation plans that provide for new issuances of securities are subject to shareholder approval. Any amendments to such plans are subject to shareholder approval unless the specific equity compensation plan contains detailed provisions, approved by the shareholders that specify those amendments requiring shareholder approval and those amendments which can be made without shareholder approval. Dominion Diamond follows the TSX rules with respect to the requirements for shareholder approval of equity compensation plans and revisions to such plans.

Human Resources & Compensation Committee Independence

Dominion Diamond has elected not to adopt Section 303A.02 of the NYSE Listed Company Manual which requires enhanced independence criteria for members of compensation committees and Section 303A.05 of the NYSE Listed Company Manual which requires the consideration of factors relevant to the independence of compensation consultants, legal counsel or other advisors prior to their engagement by compensation committees. As a foreign private issuer, Dominion Diamond is not required to comply with these rules which are applicable to U.S. domestic issuers. Dominion Diamond follows the rules of the Toronto Stock Exchange in relation to the independence standards of the members of the Human Resources & Compensation Committee and for the standards of engaging advisors and consultants.

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