

**CORPORATE GOVERNANCE & NOMINATING COMMITTEE MANDATE**  
**STORNOWAY DIAMOND CORPORATION**  
(the “Corporation”)

**Purpose**

To oversee and assess the functioning and effectiveness of the board of directors of the Corporation and to develop and recommend to the board the implementation of effective corporate governance principles and practices.

To identify candidates for the board of directors of the Corporation and to recommend that the board select qualified director candidates for election at the next annual meeting of shareholders.

**Composition**

The Corporate Governance & Nominating Committee (the “Committee”) will consist of at least three members of the board of directors. The board will appoint the Committee members and the Committee Chairperson.

The Committee shall ensure that the Chairperson and its members shall be independent directors in accordance with National Instrument 58-201.

**Procedures, Powers and Duties**

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require.

Any director of the Corporation may attend meetings of the Committee at the Committee Chairperson’s invitation, but may not vote and may not be included for purposes of quorum requirements. The Committee Chairperson may invite the Corporation’s chief executive officer or senior management employees, or others to attend meetings and provide pertinent information, as necessary; however, the Committee shall also regularly meet without management or third parties present.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

No business shall be transacted by the Committee except at a meeting where a majority of the members are present, either in person or by tele or video conference.

The Committee may engage outside consultants to advise it in matters relating to this mandate at the Corporation’s expense, without the prior approval of the directors of the Corporation.

The Committee’s business will be recorded in minutes of the Committee, and a report on the activities of the Committee will be made to the board of directors of the Corporation following each regularly scheduled meeting of the Committee.

The Committee will carry out the following responsibilities:

- Overseeing and making recommendations to the board of directors of the Corporation on developing the approach of the Corporation to corporate governance issues;

- Reviewing the corporate governance disclosure contained in the management information circular distributed to the Corporation's shareholders, including the statement of corporate governance practices;
- Serving as a forum for individual directors of the Corporation in respect to matters that are not easily discussed in a meeting of the board of directors of the Corporation;
- Reviewing and approving annually the Corporation's Disclosure Policy. Also, at each regularly scheduled Committee meeting the Committee will receive a report of the activities of the Disclosure Committee;
- Determining if it is appropriate for a director of the Corporation to engage an outside advisor at the expense of the Corporation and approving such an engagement;
- Reviewing, advising and making recommendations to the board of directors of the Corporation with respect to:
  - (i) the size and composition of the board, ensuring that there is the appropriate number of independent directors on the board;
  - (ii) the organization and responsibilities of the appropriate committees of the board; and
  - (iii) the evaluation process for the board of directors, individual directors and committees of the board of directors of the Corporation and the Chairpersons of the board and such committees;
- Recommending to the board of directors the nominees to fill vacancies on the board or to be proposed by the board as candidates for election as directors at the annual meeting of shareholders of the Corporation;
- Discussing and reviewing succession at the Board level, including an assessment of the qualifications and skills necessary for members of the board (as well as skills and competences the board needs as a whole) and recommending a desirable balance of diversity and expertise among board members, seeking out possible candidates to fill board positions, aiding in attracting qualified candidates to the board and considering appropriate term limits for board members;
- Establishing an appropriate orientation and education program for new members of the board and providing opportunities for continuing education to all directors to ensure their knowledge and understanding of the Corporation's business remains current, to include, among other things:
  - minutes of the board and committee meetings for at least the previous two years;
  - the by-laws of the Corporation;
  - the mandate of the board and each of its committees;
  - the most recent corporate strategic plan, budget and business plan of the Corporation;
  - meetings with management; and
  - site visits, as deemed appropriate.
- Evaluating the effectiveness of the Chairperson in his role as Chair of the board of directors of the Corporation;
- Reviewing and amending, as necessary, the Corporation's Code of Business Conduct and Ethics; and
- Such other matters as may be referred to the Committee by the board of directors of the Corporation.

**Mandate Reviews**

The Committee shall annually review its performance relative to this mandate.

The Committee shall regularly review the adequacy of this mandate and recommend changes to the board of directors.