

CORPORATE GOVERNANCE GUIDELINES

The following principles have been approved by the Board of Directors (the “Board”) of Dominion Diamond Corporation (the “Company”) and, together with the charters of the Board’s committees and guidelines for the Board, the Chairman and Chief Executive Officer (the “CEO”), the Lead Director and committee chairmen, provide the framework for the governance of the Company.

1.0 DIRECTOR QUALIFICATION STANDARDS

1.1 *Independence*

A majority of the directors shall meet the criteria for independence required by the New York Stock Exchange and Section 1.4 of National Instrument 52-110 *Audit Committees*. The Board may consider a director to be independent only if the Board has affirmatively determined that the director has met the criteria. In making its determination of independence, the Board shall broadly consider all relevant facts and circumstances and assess the materiality of each director’s relationship(s) with the Company and its subsidiaries. Independence determinations will be made on an annual basis at the time the Board approves director nominees for inclusion in the management proxy circular and, if a director joins the Board between annual meetings, at such time. If a director is determined by the Board to be independent, all relationships, if any, that such director has with the Company and/or its subsidiaries which were determined by the Board to be immaterial to independence shall be disclosed in the Company’s management proxy circular.

1.2 *Retirement Policy*

The Board does not believe that a uniform, fixed mandatory retirement age best serves the effective functioning of the Board. Instead, the Nominating & Corporate Governance Committee takes each director’s age into account, on an annual basis, in making its nominee recommendations to the full Board.

1.3 *Stockholder*

The Company encourages stockholding by granting phantom stock units (“DSUs”) to each non-executive director which mirrors the value of the Company’s common shares on the Toronto Stock Exchange. While these DSUs vest on granting, the directors may not redeem them until after retirement from the Board. In addition, the Board has adopted share ownership guidelines for directors, requiring all directors, within five years of January 12, 2012, or for new directors within five years of joining the Board, to have stock ownership of a minimum of 3 times their annual retainer. One half of such ownership may be in DSUs, but the remaining one half must be in actual share ownership.

1.4 *Size of Board*

From time to time, the Nominating & Corporate Governance Committee will recommend to the Board the number of directors to constitute the full Board.

1.5 *Membership Criteria*

Setting the criteria for the composition of the Board and the selection of new directors are Board functions. In general, the Board seeks members who combine a broad spectrum of business expertise, industry knowledge and financial expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are or were affiliated and be selected based upon contributions they can make to the Board and management.

1.6 *New Directors*

The Nominating & Corporate Governance Committee of the Board has, as one of its responsibilities, the recommendation of director candidates to the full Board after input from all directors, including the CEO. Candidates will be selected by the Nominating & Corporate Governance Committee in accordance with these policies and its charter.

1.7 *Term Limits*

The Board does not favour fixed term limits for directors, as it believes such limits deprive the Board of important experience and knowledge. However, the Nominating & Corporate Governance Committee will consider each director's continued service on the Board each year and recommend whether each director should be re-nominated to the Board. Each director will be given an opportunity to confirm his or her desire to continue as a member of the Board.

1.8 *Audit Committee Financial Expert*

The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated "audit committee financial expert", as required by applicable rules of the SEC under Section 407 of the Sarbanes-Oxley Act, and as "financially literate", as required by National Instrument 52-110 *Audit Committees*. In addition, to serve on the Audit Committee, a director must meet the standards for independence set forth in Section 301 of the Sarbanes-Oxley Act and in Section 1.4 of National Instrument 52-110 *Audit Committees*.

1.9 *Simultaneous Service on Other Public Company Boards or Committees*

The number of boards of other organizations that a director sits on is left to the discretion of the individual director. However, in exercising such discretion, directors recognize that board service requires significant time and attention in order to properly discharge responsibilities. In the event an Audit Committee member serves on the audit committee of more than three public companies, the Board must make a determination that the simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee of the Company, and disclose such determination in the annual management proxy circular. Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies.

1.10 *Change of Present Job Responsibility and Service on other Public Company Boards*

If, during a director's service on the Board, he or she: (a) joins or resigns from another public company's board of directors; or (b) significantly changes his or her primary employment or occupation (any such event shall be referred to as a "Status Change"), that director shall immediately notify the Nominating & Corporate Governance Committee. The Nominating & Corporate Governance Committee shall re-evaluate the appropriateness of the continuing membership of the director on the Board in light of the Status Change and recommend to the Board the appropriate action, if any, to be taken with respect to the director. If the Board concludes that the Status Change is significant and requires the resignation of the director, the director shall immediately tender his or her resignation from the Board.

2.0 DIRECTOR RESPONSIBILITIES

2.1 *Attendance at Board Meetings*

Directors are expected to attend all regularly scheduled board meetings (usually 6 per year) and all special meetings in person, if practicable, or by telephone, if attendance in person is impractical. Directors should attempt to organize their schedules in advance so that attendance at all regularly scheduled board meetings will be practicable.

2.2 *Attendance at Committee Meetings*

For committees on which they serve, directors are expected to attend regularly scheduled and special meetings in person, if practicable, or by telephone, if attendance in person is impractical or if telephone participation is the expected means of participation. For committees on which they serve, directors should attempt to organize their schedules in advance so that attendance at all regularly scheduled committee meetings will be practicable.

2.3 *Review Board and Committee Materials*

Directors shall review, in advance, all meeting materials provided by management, the other directors or consultants to the Board and committees.

2.4 *Corporate Policies*

Directors shall familiarize themselves with the policies and procedures of the Board with respect to business conduct, ethics, confidential information and trading in the Company's securities.

2.5 *No Limitations*

Nothing stated herein shall be deemed to limit the duties of directors under applicable law.

3.0 DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

3.1 *Management Availability*

Executive officers of the Company and its subsidiaries shall make themselves available, and shall arrange for the availability of other members of management, employees and consultants, so that each director shall have full and complete access with respect to the business, finance and accounting of the Company and its subsidiaries. The Board encourages the CEO to invite executive officers and non-executive officers to Board meetings from time to time in order to provide additional insight into items being discussed and so that the Board may meet and evaluate persons with potential for advancement.

3.2 *Independent Advisors*

If the charter of any Board committee on which a director serves provides for access to independent advisors, any executive officer of the Company is authorized to arrange for the payment of the reasonable fees of such advisors at the request of the chairman of such committee.

4.0 DIRECTOR COMPENSATION

The form and amount of director compensation shall be determined from time to time and at least annually by the Board based upon the recommendation of the Human Resources & Compensation Committee in accordance with the policies and principles set forth in its charter and with reference to comparative data and recommendations of the Company's compensation consultants. Among the considerations the Board and the Human Resources & Compensation Committee shall take into account is the possibility that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if director beneficial stock ownership exceeds certain levels, if the Company makes substantial charitable contributions to an organization with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which a director is affiliated. The Human Resources & Compensation Committee shall critically evaluate each of these matters when recommending the form and amount of director compensation to the Board.

5.0 DIRECTOR ORIENTATION AND CONTINUING EDUCATION

5.1 Orientation

New directors are provided with a comprehensive information package on the Company and its management, and are fully briefed by senior management on the corporate organization and key current issues.

5.2 Continuing Education

Ongoing training and development of directors consists of similar components, e.g., updated written corporate information, and site visits and presentations by experts in numerous fields that are important to the Company's interests, etc. Individual directors may engage outside advisors, with the authorization of the Nominating & Corporate Governance Committee.

6.0 MANAGEMENT SUCCESSION AND REVIEW

6.1 Review

The Board, assisted by the Human Resources & Compensation Committee, shall evaluate the performance of the CEO in light of corporate goals and objectives relevant to the CEO, and make determinations in respect of the selection, retention or replacement of the CEO. Such actions will be taken with (i) a view to the effectiveness and execution of strategies propounded by and decisions taken by the CEO with respect to the Company's long-term strategic plan and long-term financial returns and (ii) applicable legal and ethical considerations.

6.2 Succession

In furtherance of the foregoing responsibilities, and in contemplation of the retirement, or an exigency that requires the replacement, of the CEO, the Board shall, in conjunction with the CEO, oversee the selection and evaluate the performance of the other executive officers.

7.0 ANNUAL PERFORMANCE AND EVALUATION OF THE BOARD AND THE CHAIRMAN OF THE BOARD

The Nominating & Corporate Governance Committee is responsible for assisting the Board in the Board's oversight of the Board's own performance in the area of corporate governance. The Nominating & Corporate Governance Committee shall establish and conduct an annual evaluation of the Chairman of the Board, and a self-evaluation to determine whether the Board, its committees, and its members are functioning effectively in adherence to the Company's policies.

8.0 CHANGES TO THE GUIDELINES

The Board may, from time to time, permit departures from these *Corporate Governance Guidelines*, either prospectively or retrospectively. These *Corporate Governance Guidelines* 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 *Corporate Governance Guidelines* may be amended at any time.

APPROVED by the Board of Directors of Dominion Diamond Corporation on the 14th day of January, 2015.