



## **COMPENSATION COMMITTEE MANDATE**

*Annual review completed: February 14, 2018*

The following is a description of the mandate and responsibilities of the Compensation Committee of Lucara Diamond Corp. (the "Company") as reviewed and mandated by the Board of Directors (the "Board") on October 1, 2007 and amended on December 12, 2013.

The Compensation Committee of the Company shall review and recommend to the Board of Directors (the "Board") approval of the Company's executive compensation policies and, without limiting the generality of the foregoing, shall be responsible for the following specific matters:

- to review and approve corporate goals and objectives relevant to CEO compensation, evaluate the performance of the CEO in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation level (including incentive compensation plans and equity-based plans) based on this evaluation
- to make recommendations to the Board with respect to senior non-CEO officer compensation (including incentive compensation plans and equity-based plans)
- to make recommendations to the Board with respect to the adequacy and form of the compensation and benefits of the directors in their capacity as directors so as to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director
- to monitor the disclosure of executive compensation on a regular basis
- to monitor the cancellation of stock options
- to consider the implementation of short- and long-term incentive plans, including equity-based plans, proposed by management, to make recommendations to the Board with respect to the same and to annually review such plans after their implementation
- to consider the implementation of pension plans proposed by management, to make recommendations to the Board with respect to the same and to annually review such arrangements after their implementation
- to annually review any other benefit plans proposed by management and to make recommendations to the Board with respect to their implementation
- to approve the granting of stock options to new employees of the Company and/or its subsidiaries, except for officers of the Company, in accordance with the terms and conditions of the Company's stock option plan

The Compensation Committee shall meet as frequently as necessary in order to fulfill the responsibilities described above, and in any event at least annually and shall provide a report to the Board of Directors at the next Board meeting.

The members of the Compensation Committee shall be appointed by the Board from its members from time to time, provided that the Compensation Committee shall have at least three members, the majority of whom shall be independent within the meaning of National Policy 58-201, as amended from time to time.

A quorum for the transaction of business at any meeting of the Compensation Committee shall be two members.

*(as adopted by the Board of Directors on October 1, 2007 and amended on December 12, 2013)*