

ENVIRONMENTAL HEALTH AND SAFETY COMMITTEE MANDATE STORNOWAY DIAMOND CORPORATION

(the "Corporation")

Purpose

The overall purpose of the Environmental, Health and Safety Committee (the "Committee") is to develop, review and make recommendations to the Board or senior management of the Corporation, as appropriate or as required on matters related to the Corporation's environment, health, safety and community relation policies and practices, to monitor compliance with government regulations and with the Corporation's commitment to excellence on this issues.

The Committee has the authority to access such officers and employees of the Corporation and conduct any investigation, as may be appropriate and has the authority to retain, at the Corporation's expense, special legal and other consultants or experts it deems necessary in the performance of its duties.

Composition and Meetings

The Board shall appoint the Committee and the Chair annually. The Committee shall consist of at least three members of the Board, the majority of whom must be independent of management. A Chair shall be appointed by the Board annually from among the members of the Committee who are independent of management.

The Committee shall meet at least quarterly and as many additional times as the Committee deems necessary in order to carry out its duties.

A meeting of the Committee may be convened by the Chair or any other member of the Committee. The Corporate Secretary shall act as secretary to the Committee. The Committee shall report to the Board at the next Board meeting following a Committee meeting.

A majority of the members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present. The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend Committee meetings to assist the Committee in its discussions and considerations of any matter.

Responsibilities

The following responsibilities of the Board are delegated to the Committee with the duty to report and where considered appropriate to make recommendations to the Board with respect thereto:

- a. To review and make recommendations to the Board concerning the following:
 - (i) The impact on the Corporation, its directors and officers, of any significant environmental health and safety laws and regulations, such laws and regulations, related responsibilities and other ancillary matters and any recommendations as to policies arising from their assessment of said impact;
 - (ii) The compliance with policy statements and implementation standards adopted from time to time by the Corporation on significant environmental, health and safety laws and regulations, such laws, regulations, related responsibilities and other ancillary matters;
 - (iii) Management programs and standards addressing health of employees and the public and the safety of the workplace; and
 - (iv) The development of policies and initiatives in the area of environment, health, safety and community relations.

- b. To report to the Board from time to time but not less than once per year on the following:
 - (i) The effectiveness of the Corporation's response to environmental health laws and regulations, such laws, regulations, related responsibilities and other ancillary matters, including compliance with statutory and regulatory requirements;
 - (ii) The implementation and compliance with policy statements adopted on environmental, health and safety laws and regulations, such laws, regulations, related responsibilities and other ancillary matters;
 - (iii) Risk management associated with environmental, health and safety laws and regulations, such laws, regulations, related responsibilities and other ancillary matters;
 - (iv) The overall efforts of the Corporation to maintain priority status for the protection of the environment and for the health and safety of its employees and the public;
 - (v) Any charges or actions relating to environmental, health and safety laws and regulations and other ancillary matters initiated against the Corporation, its directors, officers, employees or agents and the resolution of the same; and
 - (vi) Any other material matter brought to the attention of the Committee during the course of the year.
- c. To make arrangements for sufficient funding specifically for the Corporation's safety, health and environmental operations; and
- d. To conduct any actions to supervise management respecting all other matters relating to environmental, health and safety issues consistent with these policies.