

**Lucara's Compliance with the Swedish Corporate Governance Code**

Lucara Diamond Corp. ("Lucara" or the "Company") is listed on the Toronto Stock Exchange ("TSX"), the Nasdaq Stockholm Exchange and the Botswana Stock Exchange. The following sets out the rules of the Swedish Corporate Governance Code (the "Swedish Code") and the status of Lucara's compliance with such rules. Lucara is not required to comply with the Swedish Code as it is a Canadian corporation and its primary listing is on the TSX. The below compliance table is being provided in accordance with Part III of the the Swedish Code which requires a foreign company, that does not apply the Swedish Code, to report and explain the important aspects in which the company's conduct deviates from the Swedish Code. A comprehensive report on Lucara's corporate governance practices is set out each year in Lucara's Management Proxy Circular which is distributed to shareholders prior to its Annual General meeting ("Lucara's Proxy Circular").

<b>Swedish Code Rule No.</b>	<b>Text of Swedish Code</b>	<b>Comply (Yes/No/ Partially/ Substantially)</b>	<b>Explanation</b> (Canadian corporate and securities laws and the rules of the Toronto Stock Exchange are referred to below as "Canadian Law and Rules")
1.1	As soon as the date and venue of the shareholders' meeting have been decided, and in the case of annual general meetings no later than in conjunction with the third quarter report, the information is to be posted on the company's website. This information is also to include the closing date for matters to be submitted by shareholders for inclusion in the notice of meeting.	Partially	Lucara holds an annual shareholder within the time requirements set by Canadian Law and Rules and by its Articles of Incorporation ("Articles"). Meeting materials are posted on Lucara's website for the annual shareholder meeting generally at least 30 days prior to the meeting.
1.2	The company chair and as many members of the board as are required for a quorum are to be present at shareholders' meetings. The chief executive officer is to attend. At least one member of the Company's nomination committee, at least one of the company's auditors and, if possible, each member of the board are to be present at the Annual General Meeting ("AGM").	Partially	Quorum requirements for shareholder meetings are set out in the Company's Articles and director's attendance is not required. The President & CEO typically attends and acts as chair of the AGM. There is also no requirement for a nomination committee member or for the Company's auditors to be present at the AGM under Canadian Law and Rules.
1.3	The Company's nomination committee is to propose a chair for the AGM. The proposal is to be presented in the notice of the meeting.	Partially	Pursuant to the Articles of the Company, the Chairman of the Board is entitled to act as chair of the AGM in the first instance, and if such individual is absent or unwilling to act, then the President.
1.4	If the ownership structure warrants it, and it is financially feasible, the company is to offer simultaneous interpretation into other relevant languages, as well as translation of all or parts of the meeting documentation. The same applies to the minutes of the meeting.	No	Meetings are held and the minutes are drafted in English.
1.5	A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify the minutes of the shareholders' meeting.	No	There is no requirement under Canadian Law and Rules for a shareholder, or a representative of a shareholder to verify the minutes of a shareholders' meeting.
1.6	The minutes of the latest annual general meeting and any subsequent extraordinary shareholders' meetings are to be posted on the company's website. It is not necessary to publish the register of voters from the meeting or any attachments containing such information. The minutes are also to be translated	No	Minutes are not required to be posted on the Company's website under Canadian Law and Rules. However, the results of matters voted on at meetings of shareholders are announced by the Company by way of press release and notices filed under applicable Canadian securities law.

	from Swedish into any other language warranted by the ownership structure, providing this is financially feasible.		
2.1	<p>The Company is to have a nomination committee.</p> <p>The nomination committee is to propose candidates for the post of chair and other members of the board, as well as fees and other remuneration to each member of the board. In its assessment of the board's evaluation and in its proposals in accordance with rule 4.1, the nomination committee is to give particular consideration to the requirements regarding breadth and versatility on the board, as well as the requirement to strive for gender balance.</p> <p>The nomination committee is also to make proposals on the election and remuneration of the statutory auditor.</p>	Substantially	The Company has a Board Committee, the Corporate Governance and Nomination Committee ("CG&N Committee"). The nominees for board members are recommended by the Board in Lucara's Proxy Circular after the Board takes into account recommendation's on board nominees from the CG&N Committee. The Compensation Committee of the Board makes recommendations to the Board on matters of board remuneration. The Audit Committee of the Board makes recommendations to the Board as to the election and remuneration of the Company's auditors.
2.2	<p>The shareholders' meeting is to appoint members of the nomination committee or to specify how they are to be appointed. This decision is to include procedures for replacing members of the nomination committee who leave before its work is concluded.</p>	No	In accordance with Canadian Law and Rules and the Articles of the Company, all members of Board committees are selected by the Board, including the CG&N Committee, and any such individual may be removed by the Board at any time.
2.3	<p>The nomination committee is to have at least three members, one of whom is to be appointed committee chair.</p> <p>The majority of the members of the nomination committee are to be independent of the company and its executive management<sup>1</sup>. Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee.</p> <p>At least one member of the nomination committee is to be independent of the company's largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company.<sup>2</sup></p>	Substantially	There are independence definitions under Canadian Law and Rules, which are consistent with the Swedish Code. The CG&N Committee is composed of 3 independent directors.
2.4	<p>Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. Neither the company chair nor any other member of the board may chair the nomination committee.</p> <p>If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company.</p>	No	In accordance with Canadian Law and Rules and the Articles of the Company, all members of Board committees are selected by the Board, including the CG&N Committee, and any such individual may be removed by the Board at any time.
2.5	<p>The Company is to announce the names of members of the nomination committee on its website no later than six months before the annual general meeting. If any member has been appointed by a particular owner, that owner's name is to be stated. If any member leaves the</p>	No	In accordance with Canadian Law and Rules and the Articles of the Company, all members of Board committees are selected by the Board, including the CG&N Committee, and any such individual may be removed by the Board at any time.

<sup>1</sup> For assessment of independence with regard to the company and its management, see 4.4.

<sup>2</sup> For assessment of independence with regard to the company's major shareholders, see 4.5.

	<p>committee, this information is to be announced.</p> <p>The website is also to provide information on how shareholders may submit recommendations to the nomination committee.</p>		
2.6	<p>The nomination committee's proposals are to be presented in the notice of a shareholders' meeting where the elections of board members or auditors are to be held as well as on the company's website.</p> <p>When the notice of the shareholders' meeting is issued, the nomination committee is to issue a statement on the company's website explaining its proposals regarding the board of directors with regard to the requirements concerning the composition of the board contained in Code rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1. If the outgoing chief executive officer is nominated for the post of chair, reasons for this proposal are also to be fully explained. The statement is also to include an account of how the nomination committee has conducted its work.</p> <p>The following information on candidates nominated for election or re-election to the board is to be posted on the company's website<sup>3</sup>:</p> <ul style="list-style-type: none"> <li>• the candidate's year of birth, principal education and professional experience,</li> <li>• any work performed for the company and other significant professional commitments,</li> <li>• any holdings of shares and other financial instruments in the company owned by the candidate or candidate's related natural or legal persons,</li> <li>• whether the nomination committee, in accordance with Code rules 4.4 and 4.5, deems the candidate to be independent of the company and its executive management, as well as of major shareholders in the company. Where circumstances exist that may call this independence into question, the nomination committee is to justify its position regarding candidates' independence, the nomination committee is to justify its</li> </ul>	Substantially	Pursuant to Canadian Law and Rules, the Company provides substantively similar disclosure as required under the Swedish Code with respect to directors seeking election to the Board and each such members' involvement with Committees of the Board.

<sup>3</sup> If a board member is nominated by a party other than the nomination committee, the nominating party is to submit the required information to the company, including the nominating party's assessment of the nominee's independence with regard to the company, its management and major shareholders in the company.

	<p>position regarding candidates' independence,</p> <ul style="list-style-type: none"> <li>In the case of re-election, the year that the person was first elected to the board.</li> </ul>		
2.7	<p>At a shareholders' meeting where the election of board members or auditors is to be held, the nomination committee is to present and explain its proposals with regard to the requirements concerning composition of the board contained in rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained rule 4.1.</p>	No	<p>The Board's recommendations and further information relating to the nomination of directors is set out in Lucara's Proxy Circular.</p>
3.1	<p>The principal tasks of the board of directors include</p> <ul style="list-style-type: none"> <li>establishing the overall operational goals and strategy of the company,</li> <li>appointing, evaluating and, if necessary, dismissing the chief executive officer,</li> <li>defining appropriate guidelines to govern the company's conduct in society, with the aim of ensuring its long-term value creation capability.</li> <li>ensuring that there is an appropriate system for follow-up and control of the company's operations.</li> <li>ensuring that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to the company's operations, as well as the application of internal guidelines and</li> <li>ensuring that the company's external communications are characterised by openness, and that they are accurate, reliable and relevant.</li> </ul>	Substantially	<p>The Board has a written mandate which covers substantially the same matters and is appended to Lucara's Proxy Circular.</p>
3.2	<p>The Board is to approve any significant assignments the chief executive officer has outside the company.</p>	Yes	
4.1	<p>The board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board.</p>	Yes	<p>The Board has adopted Guidelines for its composition to assist the CGN Committee when recommending nominations for directors. Such guidelines require the Committee to seek diversity in perspectives. The Board has also implemented a Gender Diversity Policy which applies to the Board.</p>
4.2	<p>Deputies for directors elected by the shareholders' meeting are not to be appointed.</p>	No	<p>Under Canadian Law and Rules there is no concept of deputies for directors.</p>
4.3	<p>No more than one member of the board may be a member of the executive</p>	Yes	<p>Currently, the Chief Executive Officer is the only member of the Board who is a member of</p>

	management of the company of a subsidiary <sup>4</sup> .		executive management.
4.4	<p>The majority of the directors elected by the shareholders' meeting are to be independent of the company and its executive management.</p> <p>A director's independence is to be determined by a general assessment of all factors that may give cause to question the individual's independence and integrity with regard to the company or its executive management. Factors that should be considered include<sup>5</sup>:</p> <ul style="list-style-type: none"> <li>• whether the individual is the chief executive officer or has been the chief executive officer of the company or a closely related company within the last five years,</li> <li>• whether the individual is employed or has been employed by the company or a closely related company within the last three years,</li> <li>• whether the individual receives a not insignificant remuneration for advice or other services beyond the remit of the board position from the company, a closely related company or a person in the executive management of the company.</li> <li>• whether the individual has or has within the last year had a significant business relationship or other significant financial dealings with the company or a closely related company as a client, supplier or partner, either individually or as a member of the executive management, a member of the board or a major shareholder in a company with such a business relationship with the company<sup>6</sup>,</li> <li>• whether the individual is or has within the last three years been a partner at, or has an employee participated in an audit of the company conducted by, the company's or a closely related company's current or then auditor,</li> <li>• whether the individual is a member of the executive management of another company if a member of the board of that company is a</li> </ul>	Substantially	Pursuant to Canadian Law and Rules, the Company complies with independence requirements for its Board which are consistent with the Swedish Code.

<sup>4</sup> The chief executive officer and an executive chair of the board may thus not both be members of the board if the latter is also a member of the company's executive management. A member of the board may, however, be employed and receive remuneration from the company without being a member of the executive management, e.g. a member of the board who is honorary chair of the board or who acts as an "ambassador" for the company or similar.

<sup>5</sup> The results of the nomination committee's deliberations are to be reported in accordance with the fourth bullet of the third paragraph in 2.6.

<sup>6</sup> This point is not to be regarded as applicable to a normal business relationship as a customer of a bank.

	<p>member of the executive management of the company, or</p> <ul style="list-style-type: none"> <li>whether the individual has a close family relationship with a person in the executive management or with another person named in the points above if that person's direct or indirect business with the company is of such magnitude or significance as to justify the opinion that the board member is not to be regarded as independent.</li> </ul> <p>A closely related company is defined in this context as another company in which the company holds, directly or indirectly, at least ten per cent of the shares, ownership interest or votes, or a financial share that confers an entitlement of at least ten per cent of the yield. If the company owns more than 50 per cent of the shares, ownership interest or votes in another company, it is to be regarded as indirectly holding the latter company's ownership in other companies.</p>		
4.5	<p>At least two of the members of the board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders.</p> <p>In order to determine aboard member's independence and integrity, the extent of the member's direct and indirect relationships with major shareholders is to be taken into consideration<sup>7</sup>. A member of the board who is employed by or is a board member of a company which is a major shareholder is not to be regarded as independent.</p> <p>In this context, a major shareholder is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company. If a company owns more than 50 per cent of the shares, ownership interest or votes in another company, the former is regarded as having indirect control of the latter company's ownership in other companies.</p>	Yes	
4.6	<p>Nominees to positions on the board are to provide the nomination committee with sufficient information to enable an assessment of the candidate's independence as defined in 4.4 and 4.5.</p>	Substantially	Board members complete an annual board survey which requires them to provide information on their independence as defined under Canadian Law and Rules not as independence is defined under the Swedish Code.
4.7	<p>Members of the board are to be appointed for a period extending no longer than to the end of the next annual general meeting</p>	Yes	
5.1	<p>Each director is to form an independent opinion on each matter considered by the</p>	Yes	

<sup>7</sup> The results of the nomination committee's deliberations are to be reported in accordance with the fourth bullet of the third paragraph in 2.6.

	board and to request whatever information he or she believes necessary for the board to make well-founded decisions.		
5.2	Each director is to acquire continuously the knowledge of the company's operations, organisation, markets etc., that is necessary to carry out the assignment.	Yes	
6.1	The chair of the board is to be elected by the shareholders' meeting. If the chair relinquishes the position during the mandate period, the board is to elect a chair from among its members to serve until a new chair elected by the shareholders' meeting.	No	The Board elects the Chair.
6.2	If the chair of the board is an employee of the company or has duties assigned by the company in addition to his or her responsibilities as chair, the division of work and responsibilities between the chair and the chief executive officer is to be clearly stated in the board's statutory Rules of Procedure and its Instruction to the Chief Executive Officer.	Yes	
6.3	<p>The chair is to ensure that the work of the board fulfils its obligation. In particular, the chair is to</p> <ul style="list-style-type: none"> <li>• organise and lead the work of the board to create the best possible conditions for the board's activities,</li> <li>• ensure that new board members receive the necessary introductory training, as well as any other training that the chair and member agree is appropriate,</li> <li>• ensure that the board regularly updates and develops its knowledge of the company,</li> <li>• be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the board,</li> <li>• ensure that the board receives sufficient information and documentation to enable it to conduct its work,</li> <li>• in consultation with the chief executive officer, draw up proposed agendas for the board's meetings,</li> <li>• verify that the board's decisions are implemented, and</li> <li>• ensure that the work of the board is evaluated annually.</li> </ul>	Substantially	<p>A position description has been approved for the chair which is as follows:</p> <p>The Chair of the Board shall effectively manage the affairs for the Board, taking into account the following specific duties and responsibilities:</p> <ul style="list-style-type: none"> <li>(i) providing guidance and assistance to the Board in the discharge of its mandate and responsibilities;</li> <li>(ii) ensuring that the Board is properly organized, effective and meets its duties and responsibilities;</li> <li>(iii) presiding over meetings of the Board including ensuring the Board has an opportunity to meet without members of management, unless such task is delegated to a Lead Director;</li> <li>(iv) acting as spokesperson for the Board;</li> <li>(v) recommending to the Board, in conjunction with the Corporate Governance and Nominating Committee, the Lead Director (if appointed) and the Chief Executive Officer, the size and composition of the Board, the proper committee structure including the assignment of committee members and chairs; and</li> <li>(vi) carrying out other duties as requested by the Board as a whole, depending on need and</li> </ul>

			circumstance.
7.1	The board is to review the relevance and appropriateness of its statutory Rules of Procedure, Instruction to the Chief Executive Officer and Reporting instruction at least once a year.	Substantially	The Board, its committees, and its individual members operate pursuant to certain mandates and position descriptions. The Board periodically undertakes a review of its effectiveness as a board. Changes in its operating procedures are reflected in the Board minutes.
7.2	If the board establishes special committees to prepare its decisions on specific issues, its Rules of Procedure are to specify the duties and decision-making powers that the board has delegated to these committees and how the committees are to report to the board. Committees are to keep minutes of their meetings and the minutes are to be made available to the board <sup>8</sup> . An audit committee is to comprise no fewer than three board members. The majority of the members of the committee are to be independent of the company and its executive management. At least one of the committee members who are independent of the company and its executive management is also to be independent of the company's major shareholders <sup>9</sup> .	Yes	
7.3	The board is responsible for ensuring that the company has good internal controls. The board is to ensure that the company has formalized routines to ensure that approved principles for financial reporting and internal controls are applied, and that the company's financial reports are produced in accordance with legislation, applicable accounting standards and other requirements for listed companies. For companies that do not have a separate internal audit function, the board of directors is to evaluate the need for such a function annually and to explain its decision in its report on internal controls in the company's corporate governance report <sup>10</sup> .	Yes	
7.4	The description of the company's internal controls included in the corporate governance report is also to include the board's measures for monitoring that the internal controls related to financial reports and reporting to the board function adequately.	No	Under Canadian Law and Rules, Lucara does not file a separate corporate governance report. Lucara's Proxy Circular and Lucara's Annual Information Form provide detailed information on the oversight role of the Board's Audit Committee with regard to financial reporting and the monitoring of internal controls.
7.5	At least once a year, the board is to meet the company's statutory auditor without the chief executive officer or any other member of the executive management present.	Yes	
7.6	The board of directors is to ensure that	Yes	

<sup>8</sup> Stipulations on the appointment of an audit committee and the tasks of the committee are to be found in chapter 8, sections 49 a-b of the Swedish Companies Act (2006:551). Chapter 8, section 49a, paragraph 2 of the Act states that the entire board may perform the tasks of the audit committee.

<sup>9</sup> Chapter 8, section 49a, paragraph 1 of the Swedish Companies Act (2006:551) states that members of the committee may not be employees of the company, and that at least one committee member is to be independent of the company and its executive management, as well as the company's major shareholders. This member must also have auditing or accounting competence. For assessment of independence, see 4.4 and 4.5.

<sup>10</sup> The inclusion in the company's corporate governance report of a report on internal controls and risk management in connection with financial reporting is a requirement stipulated in chapter 6, section 6, paragraph 2, bullet 2 of the Annual Accounts Act (1995:1554).



	the company's six –or nine-month report is reviewed by the statutory auditor.		
8.1	The board of directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the board's working methods and efficiency. The results of this evaluation are to be reported to the nomination committee. The corporate governance report is to state how the board evaluation was conducted and reported.	Partially	The board does use a systematic and structured process to evaluate its work by conducting an annual assessment and the results are reported by the Corporate Governance Nominating Committee to the Board. As noted above, under Canadian Law and Rules, Lucara does not file a separate corporate governance report however the board evaluation process is explained in Lucara's Proxy Circular.
8.2	The board is to continuously evaluate the work of the chief executive officer. The board is to examine this issue formally at least once a year, and no member of the executive management is to be present during this evaluation process.	Yes	
9.1	The board is to establish a remuneration committee, whose main tasks are to: <ul style="list-style-type: none"> <li>• prepare the board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management,</li> <li>• monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and</li> <li>• Monitor and evaluate the application of the guidelines for remuneration of the board and executive management that the annual general meeting is legally obliged to establish<sup>11</sup>, as well as the current remuneration structures and levels in the company.</li> </ul>	Partially	The Company's Compensation Committee reviews policies and makes recommendations to the Board regarding remuneration matters. There is no requirement under Canadian Law and Rules to establish remuneration guidelines at the annual general meeting.
9.2	The chair of the board may chair the remuneration committee. The other shareholders' meeting-elected members of the committee are to be independent of the company and its executive management <sup>12</sup> . If the board considers it is more appropriate, the entire board may perform the remuneration committee's tasks, on condition that no board member who is also a member of the executive management participates in this work.	Partially	Pursuant to Canadian Law and Rules, members of the Compensation Committee are members of the Board and are appointed by the Board whose members are elected by shareholders. These Committee members are independent of the Company and its executive management.

<sup>11</sup> The stipulation that the annual general meeting is to establish guidelines for executive remuneration is to be found in chapter 7, section 61 of the Swedish Companies Act (2005:551). The guidelines are to contain the criteria stated in chapter 8, section 51, paragraph 1 and section 52, paragraph 1 of the Act, where it is stated specifically that the guidelines are not to cover fees and other remuneration for board work.

<sup>12</sup> For assessment of independence with regard to the company and its executive management, see 4.4.

9.3	If the remuneration committee or the board uses the services of an external consultant, it is to ensure that there is no conflict of interest regarding other assignments this consultant may have for the company or its executive management.	Yes	
9.4	Variable remuneration is to be linked to predetermined and measurable performance criteria <sup>13</sup> aimed at promoting the company's long-term value creation.	Yes	
9.5	Variable remuneration paid in cash is to be subject to predetermined limits regarding the total outcome. <sup>14</sup>	Partially	A short term incentive program has been adopted by the Company which sets out targets for compensation ,these targets are a percentage of the base salaries of executives.
9.6	The shareholders' meeting is to decide on all share and share-price related incentive schemes for the executive management. The decision of the shareholders' meeting is to include all the principle conditions of the scheme <sup>15</sup> .	Substantially	Pursuant to Canadian Law and Rules, shareholders are requested to approve the Company's equity-based compensation arrangements (such as the Company's existing stock option plan and share unit plans) at the time such schemes are put into place and information about the plans is provided in the Proxy Circular at the time of the request for approval.
9.7	Share- and share-price-related incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders. The vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Programmes that involve acquisition of shares are to be designed so that a personal holding of shares in the company is promoted. Programmes designed board members are to be devised by the company's owners and to promote long-term ownership of shares. <sup>16</sup>	Yes	
9.8	Fixed salary during a period of notice and severance pay are together not to exceed an amount equivalent to the individual's fixed salary for two years.	No	Compensation and severance is determined pursuant to the terms of the executive's employment agreement.
10.1	In its corporate governance report, the company is to state clearly <ul style="list-style-type: none"> <li>• which Code rules it has not complied with,</li> <li>• explain the reasons for each case of non-compliance and</li> <li>• describe the solutions it has</li> </ul>	No	As noted above, Lucara does not complete a separate corporate governance report. The Company does include a comprehensive report on its corporate governance practices in its Proxy Circular. By this document, Lucara is explaining its compliance with the Swedish Code.

<sup>13</sup> The criteria may be of different kinds, including own investment, e.g. through participation in a share savings programme. The term measurable is used to indicate that it should be possible to evaluate to what extent the criteria have been fulfilled.

<sup>14</sup> Such limits do not need to be specified as cash amounts, but may also be defined in other ways.

<sup>15</sup> Issues such as decision-making processes and what type of information and documentation is required to make decisions on share and share-price related incentive programmes are also regulated by mandatory rules in Chapter 16 of the Companies Act and by statements from the Swedish Securities Council, primarily Statement AMN 2002:1.

<sup>16</sup> That board members who are not also employees of the company are not to participate in programmes designed for the executive management or other employees is a result of Swedish Securities Council Statement AMN 2002:1.

	adopted instead.		
10.2	<p>As well as the items stipulated by legislation<sup>17</sup>, the following information is to be included in the corporate governance report if it is not presented in the annual report:</p> <ul style="list-style-type: none"> <li>• the composition of the company's nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated,</li> <li>• the information on each member of the board that is required by the third paragraph of Code rule 2.6,</li> <li>• the division of work among members of the board and how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member's attendance at board meetings,</li> <li>• the composition, tasks and decision-making authority of any board committees, and each member's attendance at the respective committee's meetings,</li> <li>• how board evaluation<sup>18</sup> is conducted and reported,</li> <li>• a description of internal controls in accordance with paragraph 3 of rule 7.3 and with rule 7.4,</li> <li>• for the chief executive officer: <ul style="list-style-type: none"> <li>- year of birth, principal education and work experience,</li> <li>- significant professional commitments outside the company, and</li> <li>- holdings of shares and other financial instruments in the company or similar holdings by related natural or legal persons, as well as significant shareholdings and partnerships in enterprises with which the company has significant business relations,</li> </ul> </li> <li>• any infringement of the stock</li> </ul>	Substantially	Similar information is required under applicable Canadian Law and Rules and is provided in Lucara's Proxy Circular.

<sup>17</sup> The information to be included in the corporate governance report is stipulated in chapter 6, section 6 of the Annual Accounts Act (1995:1554).

<sup>18</sup> See rule 8.1.

	exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year.		
10.3	<p>The company is to have a section of its website devoted to corporate governance matters, where the company's three most recent corporate governance reports are to be posted, together with that part of the audit report which deals with the corporate governance report or the auditor's written statement on the corporate governance report.<sup>19</sup></p> <p>The corporate governance section of the website is to include the company's current articles of association, along with any other information required by the Code.<sup>20</sup> It is also to include up to date<sup>21</sup> information regarding:</p> <ul style="list-style-type: none"> <li>• members of the board, the chief executive officer and the statutory auditor<sup>22</sup>,</li> <li>• a description of the company's system of variable remuneration to the board and executive management, and of each outstanding share- and share-price related incentive scheme.</li> </ul> <p>The board is also to publish the results of the evaluation required by points two and three of Code rule 9.1 in the corporate governance section of the company's website no later than three weeks before the annual general meeting,</p>	Partially	Lucara does have a section of its website devoted to corporate governance which sets out the committees of the Board and identifies membership. Lucara's Proxy Circular is also filed on its website which provides disclosure relating to compensation and corporate governance.

*Posted on the Lucara Diamond Corp. website April 11, 2016*

<sup>19</sup> The requirement for an auditor review of the corporate governance report if it is included in the director's report or of the information that is otherwise found in the company's or group's director's report is stipulated in chapter 9, section 31 of the Companies Act (2005:551). The requirement for auditor review if the corporate governance report is published separately from the annual report is stipulated in chapter 6, section 9 of the Annual Accounts Act (1995:1554).

<sup>20</sup> See 1.1, 2.5 and 2.6.

<sup>21</sup> The term up to date is to be interpreted as meaning that the information is to be updated within seven days of any changes made or becoming known to the company.

<sup>22</sup> See the second and seventh points in the first paragraph of rule 10.2 regarding information on members of the board and the chief executive officer.