

# Stock Ownership Guidelines Policy

(the “**Policy**”)

## — PURPOSE

The Board of Directors (“**Board**”) of Sandstorm Gold Ltd. (“**Sandstorm**” or the “**Company**”) believes that it is in the best interest of Sandstorm and its shareholders to align the financial interests of Sandstorm’s executives and non-employee members of the Board (“**Directors**”) with those of the Company’s shareholders. In this regard, the *Corporate Governance & Nominating Committee* (the “**Committee**”) of the Board has recommended and the Board has adopted minimum stock ownership guidelines (the “**Guidelines**”).

## — APPLICABILITY

This Policy is applicable to the Company’s Chief Executive Officer (“**CEO**”) and to the Company’s Chief Financial Officer (“**CFO**”), the Company’s Senior Executive Vice-President (“**SEVP**”), the Company’s Senior Vice-President of Corporate Development (“**SVP-CD**”) and the Company’s Executive Vice President, Project Evaluation (“**EVP-PE**”) (the CFO, SEVP, SVP-CD and EVP-PE collectively referred to herein as the “**Executive Officers**”) and any member of the Board who is not employed by the Company (a “**Non-Employee Director**”) (collectively, the “**Participants**”).

## — MINIMUM OWNERSHIP REQUIREMENTS

The CEO, the Executive Officers and the Non-Employee Directors of the Company should own shares of the Company’s common stock (“**Shares**”) which have a fair market value equal to the following multiples of the Participant’s base salary (or, in the case of a Non-Employee Director, the cash annual retainer paid to the Non-Employee Director by the Company):

<b>CEO</b>	five (5) x annual base salary
<b>Executive Officers</b>	three (3) x annual base salary
<b>Non-Employee Directors</b>	three (3) x annual retainer

## — COUNTING SHARE OWNERSHIP

The following may be used in determining Share ownership:

- 01** Shares owned directly (including through open market purchases or acquired and held upon vesting of Company equity awards)
- 02** Shares owned jointly or separately by the individual's spouse
- 03** Shares held in trust for the benefit of the Participant, the Participant's spouse and/or children
- 04** Restricted Share Rights (whether vested or not vested).

Unexercised stock options (whether vested or not vested) do not count toward meeting these Guidelines.

## — VALUATION METHODOLOGY

The value of the Participant's Share ownership requirement is based upon his or her then current base salary or annual retainer and the determination of whether a Participant meets the applicable Guidelines will be made in January of each year and will be based on the average closing price of the Company's Shares on the Toronto Stock Exchange for the 20 trading days preceding and including December 31 of the prior calendar year. Participants will be notified by e-mail in January of each year as to the status of their compliance with these Guidelines.

In the event of an increase in a Participant's base salary or annual retainer, he or she will have five (5) years from the time of the increase to acquire any additional Shares required to meet these Guidelines.

## — RETENTION RATIO

While the Participant is not in compliance with his or her ownership requirement, the Participant must retain an amount equal to 50% of his or her net shares ("**Net Shares**") received as a result of the exercise of stock options or the vesting of any restricted share rights granted to the Participant by the Company. "Net Shares" are those shares which remain after shares are sold to pay any applicable exercise price for stock options and to satisfy any tax obligations arising in connection with the exercise of stock options or the vesting of restricted share rights, as the case may be.

## — COMPLIANCE/TIMING

The applicable Guideline level of Company Share ownership is expected to be satisfied by each Participant within five (5) years after first becoming subject to these Guidelines.

Once the CEO's, Executive Officer's, or Non-Employee Director's level of Share ownership satisfies the applicable Guideline, ownership of the Guideline level is expected to be maintained for as long as the Participant is subject to these Guidelines.

The Committee has the discretion to enforce the Guidelines on a case-by-case basis. The Committee will evaluate whether exceptions from the Guidelines should be made in the case of any Participant who, due to his or her unique financial circumstances, would incur a hardship by complying with these Guidelines.

If a Participant falls below the applicable Guideline due solely to a decline in the value of the Shares, the Participant will not be required to acquire additional Shares to meet the Guidelines, but he or she will be required to retain all Shares then held (except for Shares withheld to pay withholding taxes or the exercise price of stock options) until such time as the Participant again attains the target multiple.

Violations of this Policy may result in the Participant not receiving future grants of long-term incentive plan awards or annual equity retainer.

## — ADMINISTRATION

The Committee is responsible for monitoring the application of and compliance with these Guidelines on an annual basis.

## — AMENDMENT

These Guidelines may be waived or amended by the Board from time to time. Changes to this Policy will be communicated to all persons to whom this Policy applies.

## — GENERAL

The CEO, Executive Officers and the Non-Employee Directors are required to acknowledge that they have read this Policy annually.

If you have questions about the interpretation of this Policy, please contact the Company's Corporate Secretary, Christine Gregory.

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**APPROVED** by the Corporate Governance & Nominating Committee of **SANDSTORM GOLD LTD.**,  
March 30, 2016.

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**ADOPTED AND APPROVED** by the Board of Directors of **SANDSTORM GOLD LTD.**, March 30, 2016.