

Terms of Reference for the Compensation Committee

1 PURPOSE

The *Compensation Committee* (the “**Committee**”) has been established by the Board of Directors (the “Board”) of Sandstorm Gold Ltd. (“**Sandstorm**” or the “**Company**”) to assist the Board with ensuring that the Company has a compensation plan that is both motivational and competitive for executive officers and other members of senior management (collectively “**Executive Management**”) so that it will attract, hold and inspire performance of Executive Management of a quality and nature that will enhance the sustainable profitability and growth of the Company.

2 COMPOSITION AND OPERATIONS

A The Committee shall be composed of not fewer than three (3) Directors and not more than five (5) Directors, all of whom shall be independent Directors.

B The Committee shall meet at least once per year.

3 DUTIES AND RESPONSIBILITIES

A The Committee shall review and recommend the compensation philosophy and guidelines for the Company. This shall include:

- i reviewing the compensation philosophy and guidelines for Executive Management, for recommendation to the Board for its consideration and approval;
- ii establishing the appropriate methodology to determine compensation and the compensation amounts being cash, non-cash and/or equity related for the Company’s Executive Management; and
- iii considering the implications of the potential risks associated with the Company’s compensation policies and programs.

B CEO Evaluation and Compensation

The Committee shall lead the annual CEO review/evaluation process and recommend CEO compensation to the Board for approval and report the results of the process to the Board.

C The Committee shall, in consultation with the CEO, review the CEO’s assessment of Non-CEO Executive Management and fix the compensation of each member of Executive Management for recommendation to the Board for approval.

- D** The Committee shall, in consultation with the CEO, review and make recommendations to the Board for its approval:
- i all matters concerning incentive awards, compensation performance targets, perquisites and other remuneration matters with respect to Executive Management;
 - ii benefit plans applicable to Executive Management including levels and types of benefits; and
 - iii any stock option plan, restricted share plan, performance share plan or other similar equity-based plan and the granting/awarding of any amounts under such plans.
- E** The Committee shall review and recommend for approval any agreements providing for the payment of benefits following a change of control of the Company or severance of Executive Management following a termination of employment.
- F** The Committee shall annually review the Directors' compensation program and make any recommendations to the Board for approval.
- G** The Committee shall report to the Board on executive compensation.
- H** The Committee shall also have such other powers and duties as delegated to it by the Board.

4 AUTHORITY

The Committee has the authority to:

- A** Form and delegate all or a portion of its duties and authority to subcommittees or individuals when appropriate;
- B** Engage and direct independent compensation consultants, independent counsel and other advisors as it determines necessary to carry out its duties; and
- C** Set and pay the compensation for advisors employed by the Committee.

5 ACCOUNTABILITY

- A** The Committee Chair has the responsibility to report to the Board, as requested, on compensation and benefit matters relative to the Company.
- B** The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

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

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