

CRYSTALLEX INTERNATIONAL CORPORATION

Charter – Board of Directors

1. General

- (1) The board of directors (*Board*) of Crystallex International Corporation (*Corporation*) is responsible for supervising the management of the business and affairs of the Corporation.
- (2) The composition, responsibilities, and authority of the Board are set out in this Charter.
- (3) This Charter and the by-laws of the Corporation and such other procedures, not inconsistent therewith, as the Board may adopt from time to time shall govern the meetings and procedures of the Board.

2. Composition

- (1) The directors of the Corporation (*Directors*) should have a mix of competencies and skills necessary to enable the Board and Board committees to properly discharge their responsibilities.
- (2) The Nominating and Corporate Governance Committee annually (and more frequently, if appropriate) recommends to the Board candidates for election or appointment as Directors taking into account the Board's conclusions with respect to the appropriate size and composition of the Board and Board committees and the competencies and skills required to enable the Board and Board committees to properly discharge their responsibilities and the competencies and skills of the current Board.

The Board approves the final choice of candidates.

The shareholders of the Corporation elect the Directors annually.

- (3) The Corporation has adopted a Policy on Independence of Directors. The purpose of the Policy is to:
 - (a) set out the test that the Board will use to determine whether a Director is independent;
 - (b) identify the criteria that the Board will use to assess whether a Director is independent; and

- (c) describe the disclosure that the Board will provide to shareholders of the Corporation with respect to its determination of the independence of Directors.
- (4) The Board has resolved that, commencing with the annual meeting of shareholders to be held in 2005, a majority of the Directors will be independent.
- (5) The Board will appoint a Chair and, if deemed appropriate, a Vice-Chair from among its members. If the Chair is not independent, the Board will designate one of the independent directors as the Lead Director. The Corporation has adopted position descriptions for the Chair, Vice-Chair and Lead Director.
- (6) The Secretary of the Corporation shall be secretary of the Board (*Secretary*).

3. Responsibilities

- (1) The Board is responsible for supervising the management of the business and affairs of the Corporation and its subsidiary entities (*Crystallex Group*).
- (2) In discharging their responsibilities, the Directors owe the following fiduciary duties to the Corporation:
 - *a duty of loyalty*: they must act honestly and in good faith with a view to the best interests of the Corporation; and
 - *a duty of care*: they must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In discharging their responsibilities, the Directors are entitled to rely on the honesty and integrity of the senior officers of the Corporation and the auditors and other professional advisors of the Corporation.

In discharging their responsibilities, the Directors are also entitled to directors and officers liability insurance purchased by the Corporation and indemnification from the Corporation to the fullest extent permitted by law and the constating documents of the Corporation.

- (3) The Board has specifically recognized its responsibilities for:
 - (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other senior officers of the Corporation and that the Chief Executive Officer and other senior officers of the Corporation create a culture of integrity throughout the Crystallex Group;
 - (b) adopting a strategic planning process and approving annually (or more frequently if appropriate) a strategic plan which takes into account, among other things, the opportunities and risks of the business of the Corporation;

- (c) overseeing the identification of the principal risks of the business of the Corporation and overseeing the implementation of appropriate systems to manage these risks;
 - (d) overseeing the integrity of the internal control and management information systems of the Corporation;
 - (e) succession planning (including appointing, training and monitoring the senior officers of the Corporation);
 - (f) adopting a disclosure policy for the Corporation; and
 - (g) developing the approach of the Corporation to corporate governance.
- (4) In addition to those matters which must by law be approved by the Board, the Board oversees the development of, and reviews and approves, significant corporate plans and initiatives of the Corporation, including the annual business plan and budget, major acquisitions and dispositions and other significant matters of corporate strategy or policy.
- (5) To assist the Directors in discharging their responsibilities, the Board expects management of the Corporation to:
- (a) review and update annually (or more frequently if appropriate) the strategic plan and report regularly to the Board on the implementation of the strategic plan in light of evolving conditions;
 - (b) prepare and present to the Board annually (or more frequently if appropriate) a business plan and budget and report regularly to the Board on the Corporation's performance against the business plan and budget; and
 - (c) report regularly to the Board on the Corporation's business and affairs and on any matters of material consequence for the Corporation and its shareholders.

Additional expectations are developed and communicated during the annual strategic planning and budgeting process and during regular Board and Board committee meetings.

- (6) The Board considers that generally management should speak for the Corporation in its communications with shareholders and the public. The Corporation's investor relations personnel are required to respond to inquiries from shareholders and the public after review and discussion, as appropriate, by senior management and the Board or Board committees. The Corporation's investor relations personnel are available to shareholders by telephone, fax and e-mail. The Corporation maintains an investor relations section on its website. Presentations at investor conferences are posted promptly on the Corporation's website. They are also available on request. The Board reviews the Corporation's major communications with shareholders and the public.

- (7) Directors are expected to attend Board meetings, meetings of Board committees of which they are members and the annual meeting of the shareholders of the Corporation. Directors are also expected to spend the time needed, and to meet as frequently as necessary, to discharge their responsibilities.
- (8) Directors are expected to comply with the Code of Business Conduct and Ethics of the Corporation.

4. Authority

- (1) The Board is authorized to carry out its responsibilities as set out in this Charter.
- (2) The Board is authorized to retain, and to set and pay the compensation of, independent legal counsel and other advisors if it considers this appropriate.
- (3) The Board is authorized to invite officers and employees of the Corporation and outsiders with relevant experience and expertise to attend or participate in its meetings and proceedings if it considers this appropriate.
- (4) The Directors have unrestricted access to the officers and employees of the Corporation. The Directors will use their judgment to ensure that any such contact is not disruptive to the operations of the Corporation and will, to the extent not inappropriate, advise the Chair and the Chief Executive Officer of the Corporation of any direct communications between them and the officers and employees of the Corporation.
- (5) The Board and the Directors have unrestricted access to the advice and services of the Secretary.
- (6) The Board may delegate certain of its functions to Board committees, each of which will have its own Charter.

5. Meetings and Proceedings

- (1) The Board shall meet as frequently as necessary but not less than five times each year.
- (2) Any Director or the Secretary may call a meeting of the Board.
- (3) The Chair is responsible for the agenda of each meeting of the Board, including input from other Directors and the officers and employees of the Corporation as appropriate. Meetings will include presentations by management or professional advisors and consultants when appropriate and allow sufficient time to permit a full and open discussion of agenda items.
- (4) Unless waived by all Directors, a notice of each meeting of the Board confirming the date, time, place and agenda of the meeting, together with any supporting materials, shall be forwarded to each Director at least three days before the date of the meeting.

- (5) The quorum for each meeting of the Board is a majority of the Directors. In the absence of the Chair, the other Directors may appoint one of their number as chair of a meeting. The chair of a meeting shall not have a second or casting vote.
- (6) The Secretary or his delegate shall keep minutes of all meetings of the Board, including all resolutions passed by the Board. Minutes of meetings shall be distributed to the Directors after preliminary approval thereof by the Chair.
- (7) An individual who is not a Director may be invited to attend a meeting of the Board for all or part of the meeting.
- (8) The independent Directors and the non-management Directors shall meet regularly alone to facilitate full communication.

6. Self Assessment

- (1) The Board shall regularly assess its effectiveness with a view to ensuring that the performance of the Board accords with best practices.
- (2) The Board shall annually review and update this Charter as required.