

# **US Silver Corporation**

## Corporate Governance and Nominating Committee Charter

### **GENERAL**

#### *Purpose of the Committee*

The purpose of the Corporate Governance and Nominating Committee (the "**Committee**") is to assist the board of directors (the "**Board**") of U.S. Silver Corporation (the "**Company**") in fulfilling its corporate governance and director nomination responsibilities. The Committee is directly responsible for the administration of the Corporate Disclosure Policy.

#### *Authority of the Committee*

The Committee has the authority to delegate to individual members or subcommittees of the Committee. The Committee has the authority to retain any outside advisor at the expense of the Company, without the Board's approval, at any time and has the authority to determine any such advisor's fees and other retention terms. For greater certainty, the Committee has sole authority to retain and terminate any consulting firm to be used to search for prospective director nominees.

### **PROCEDURAL MATTERS**

#### *Composition*

The Committee shall be composed of a minimum of 3 members.

#### *Member Qualifications*

Every Committee member must be a director of the Company. A majority of the Committee members must be "independent" as such term is defined in applicable securities legislation. All members of the Committee shall meet all requirements and guidelines for nominating committee service as specified in applicable securities and corporate laws and requirements of applicable stock exchanges on which shares of the Company are listed.

#### *Member Appointment and Removal*

Members of the Committee shall be appointed by the Board for such term as the Board deems appropriate and shall hold office for such time or until they are removed by the Board or cease to be directors of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee, and shall be filled by the Board if the membership of the Committee falls below 3 directors.

#### *Committee Structure and Operations*

##### (a) Chair

The Board shall appoint one member of the Committee to act as Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If in any year, the Board does not appoint a Chair, the

incumbent Chair will continue in office until a successor is appointed. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

(b) Meetings

The Chair of the Committee shall be responsible for:

- (i) developing and setting the agenda for Committee meetings; and
- (ii) determining the time, place and frequency of Committee meetings.

The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

(c) Notice

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, the Chairman of the Board and the Chief Executive Officer of the Company, at least forty-eight (48) hours prior to the time fixed for such meeting.

(d) Quorum

A majority 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 in person or by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

(e) Attendees

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee and assist thereat in the discussion and consideration of matters relating to the Committee.

During each meeting of the Committee, the Committee shall meet with only Committee members present in person or by other permitted means.

(f) Secretary

The Committee Chair shall appoint a Secretary to the Committee who need not be a director or officer of the Company.

(g) Records

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary to the Committee and shall be subsequently presented to the Committee for review and approval.

(h) Liaison

The Company's Chief Executive Officer shall act as management liaison with the Committee.

## **COMMITTEE AND CHARTER REVIEW**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

## **REPORTING TO THE BOARD**

The Committee will regularly report to the Board on all significant matters it has considered and addressed and with respect to such other matters that are within its responsibilities, including any matters approved by the Committee or recommended by the Committee for approval by the Board. The Committee shall circulate to the Board copies of the minutes of each meeting held.

## **NOMINATION RESPONSIBILITIES**

### *Recruitment*

With respect to the director recruitment in general, the Committee shall be responsible for:

(a) conducting an analysis of the collection of tangible and intangible skills and qualities necessary for an effective Board given the Company's current operational and financial condition, the industry in which it operates and the strategic outlook of the Company;

(b) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement; and

(c) recommending, as required, changes to the selection criteria used by the Board to reflect the needs of the Board.

Nominees shall be selected for qualities such as integrity, business judgment, independence, business or professional expertise, international experience, residency and familiarity with geographic regions relevant to the Company's strategic priorities.

If the Company is legally required by contract or otherwise to provide third parties with the right to nominate directors, the selection and nomination of those directors need not involve the approval of the Committee.

### *Identification of Nominees*

With respect to the identification of potential nominees, the Committee shall be responsible for:

- (a) identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders;
- (b) defining roles and expectations of Board members; and
- (c) identifying and maintaining a list of potential directors that possess the qualifications established by the Committee.

### *Recommendation of Nominees*

In making its recommendations to the Board, the Committee shall consider:

- (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that the Board considers each existing director to possess; and
- (c) the competencies and skills each new nominee will bring to the boardroom.

### *Membership Qualifications*

With respect to membership qualifications, the Committee is responsible for monitoring director membership to ensure qualifications under applicable laws are maintained. Every year, the Committee shall review the credentials and performance of nominees proposed for election to the Board. In doing so, it shall consider director qualifications under applicable laws, regulations and rules, as well as the needs of the Company and the talents already represented on the Board.

## **CORPORATE GOVERNANCE RESPONSIBILITIES**

### *The Board and Committees of the Board*

The Committee is responsible for identifying and making recommendations to the Board as to the structure of the Board and the committees of the Board to be constituted from time to time and the structure of those committees. The committees of the Board shall at all times, in addition to the Committee, include an audit committee and a compensation committee. The Committee shall, at least annually, review the Board Mandate and the Charter of each committee of the Board and make recommendations to the Board with respect thereto in order to ensure that all aspects of corporate governance of the Company and its management and the performance of the Company's obligations to its shareholders, employees and members of the public are being effectively reviewed.

### *Assessment of the Board and its Committees*

The Committee is responsible for arranging for annual surveys of the directors to be conducted with respect to their views on the effectiveness of the Board, its committees and the directors. In conjunction therewith, the Committee shall assess the effectiveness of the Board, as well as the effectiveness and contribution

of each of the Board's committees and shall report to the Board thereon. Such assessment will take into account the responsibilities of the Board and each committee, the position descriptions applicable to the Chair of the Board and the Chairs of each committee and the annual survey of directors, as well as the competencies and skills that each individual director is expected to bring to the Board and its committees, attendance at Board and committee meetings and overall contributions made to the Board and its committees.

#### *Position Descriptions*

The Committee is responsible for, at least annually, reviewing and making recommendations to the Board regarding the position descriptions for the Chair of the Board and each Chair of a committee of the Board.

#### *Principal Occupation Changes and Other Directorships*

The Committee is responsible for reviewing the continued appropriateness of Board membership upon a director changing his or her principal occupation or ceasing to be an officer of the Company and making recommendations to the Board thereon. The Committee is also responsible for reviewing a director's acceptance of additional positions as a corporate director with for-profit corporations at arm's length to the Company and making recommendations to the Board thereon.

#### *Orientation and Continuing Education*

The Committee is responsible for reviewing and making recommendations to the Board regarding orientation and education programs to be undertaken for all new members of the Board and continuing education programs to be made available to members of the Board.

#### *Insurance and Indemnification of Directors*

The Committee is responsible for assessing the directors' and officers' insurance policy and making recommendations relating to its renewal or amendment or the replacement of the insurer. Subject to applicable law and the articles and by-laws of the Company, the Committee is also responsible for administering all policies and practices of the Company with respect to the indemnification of directors and officers by the Company and for approving all payments made pursuant thereto.

#### *Disclosure*

In connection with the continuous disclosure obligations of the Company, the Committee is responsible for:

(a) reviewing and approving any corporate governance report to be made in accordance with applicable securities laws and stock exchange regulations for inclusion in the Company's management information circular, annual report and/or annual information form; and

(b) reviewing and approving the Company's disclosure of this Charter and any information regarding the Committee and its activities, when required, in the Company's annual information form, management information circular and/or annual report.

*Other Corporate Governance Matters*

The Committee is responsible for monitoring and making recommendations with respect to the following matters:

- (a) shareholder and investor issues including the adoption of shareholders rights plans and related matters;
- (b) policies regarding management serving on outside boards;
- (c) retirement policy for directors based upon age, health or other considerations;
- (d) the Company's charitable and political donation policies;
- (e) the Company's Code of Business Conduct and Ethics and compliance therewith, including the granting of any waivers from the application of the Code;
- (f) the Company's Corporate Disclosure Policy and compliance therewith; and
- (g) the retainer, subject to the Committee's approval and at the expense of the Company, of outside advisors for individual members of the Board in appropriate circumstances and the procedures relating thereto.

***Ratified by the Board of Directors on June 29, 2010  
Amended by the Board of Directors on September 26, 2011***