

**TIER ONE SILVER INC.****CHARTER OF THE COMPENSATION COMMITTEE**

(effective January 7, 2021)  
(As amended on May 29, 2024)

**1. DEFINITIONS**

## 1.1 In this Charter:

- (a) “**Board**” means the board of directors of the Company;
- (b) “**CEO**” means the Chief Executive Officer;
- (c) “**Company**” means Tier One Silver Inc.;
- (d) “**Company Management**” means Company Officers and senior management, collectively;
- (e) “**Company Officers**” means the CEO and non-CEO Officers, collectively; and
- (f) “**Directors**” means directors of the Company;
- (g) “**non-CEO Officer**” means (i) a chair or vice-chair of the Board, a chief geologist, chief financial officer, president, vice president, secretary, assistant secretary, treasurer, assistant treasurer and general manager; (ii) an individual who is designated as an officer under a bylaw or similar authority of the Company; and (iii) an individual who performs functions similar to those normally performed by an individual referred to in (i) or (ii) above;
- (h) “**senior management**” means members of management who are not Company Officers.

**2. PURPOSE**

2.1 The Compensation Committee (the “**Committee**”) is established by the Board to assist the Board in establishing a plan of continuity for Company Management and in fulfilling the Board’s responsibilities relating to human resources and compensation issues for Company Officers and Directors. The Committee ensures the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of Company Management of a quality and nature that will enhance the sustainable profitability and growth of the Company.



### **3. COMPOSITION AND OPERATIONS**

3.1 The Committee shall be composed of not fewer than two directors and not more than five directors, a majority who are independent, as defined in section 1.4 of National Instrument 52-110 – Audit Committee.

3.2 The Committee shall meet at least one time per year.

3.3 The Committee shall operate under the guidelines applicable to all Board committees.

3.4 Members of the Committee shall be appointed by the Board. The Board may remove members of the Committee at any time without cause.

3.5 The Chair of the Committee will be appointed by the Board.

### **4. 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 Company Officers and Directors, for recommendation to the Board for its consideration and approval; and

(ii) reviewing compensation policies and guidelines relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.

(b) **Evaluation and Compensation**

The Committee shall:

(i) periodically review the terms of reference for the CEO and recommend any changes to the Board for approval;

(ii) review corporate goals and objectives relevant to CEO and recommend them to the Board for approval to be completed no later than Q1 each year;

(iii) lead the annual CEO review/evaluation process and report the results of the process to the Board;

(iv) based on the results of this evaluation, recommend CEO compensation to the Board for approval; and

(v) review, and if appropriate recommend for approval to the Board, any agreements between the Company and the CEO, including those addressing retirement, termination of employment or other special circumstances, as appropriate.



The Committee will ensure that the CEO will not be present during voting or deliberations regarding the compensation of the CEO.

- (c) The Committee shall, in consultation with the CEO,
  - (i) review the CEO's assessment of non-CEO Officers and fix the compensation of each non-CEO Officer for recommendation to the Board for approval;
  - (ii) review the performance, appointment or discharge of non-CEO Officers; and
  - (iii) review personal and corporate goals and objectives relevant to non-CEO Officers and recommend them to the Board for approval.
  
- (d) The Committee shall (in consultation with the CEO where appropriate for matters involving non-CEO Officers, and in consultation with the Nomination and Governance Committee where appropriate for matters involving Directors) review and make recommendations to the Board for its approval:
  - (i) all matters concerning incentive awards, perquisites and other remuneration matters with respect to Company Officers and Directors;
  - (ii) benefit plans applicable to Company Officers and Directors including levels and types of benefits;
  - (iii) any stock option plan, deferred share unit plan or other similar equity-based plan; and
  - (iv) any agreements between the Company and Company Officers, including those addressing retirement, termination of employment or other special circumstances, as appropriate.
  
- (e) Following the approval of and establishment by the Board of any stock option plan, deferred share unit plan or other similar plans to be available to Company Officers and Directors and within any guidelines established by the Board, the Committee shall:
  - (i) in conjunction with management, administer the stock option plan, the deferred share unit plan and such other similar plans as determined and established by the Board to be granted to Company Officers and Directors;
  - (ii) review management's recommendations for and, subject to confirmation by the Board, recommend approval to the Board for the granting of stock options, deferred share units or other securities to Company Officers, Directors and other key employees of the Company and its subsidiaries; and

- (iii) suggest and review any amendments that the Committee considers necessary to stock option plans, deferred share unit plans or similar plans and make recommendations to the Board with respect to those amendments; provided however, that all amendments to such plans shall be subject to the consideration and approval of the Board.
- (f) 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 Company Officers following a termination of employment.
- (g) The Committee shall recommend to the Board for approval, any share ownership guidelines applicable to Company Officers and Directors and review the shareholdings of Company Officers and Directors relative to the share ownership guidelines established by the Board from time-to-time.
- (h) The Committee shall annually review the Company's succession plans for Company Management. Such review should include discussion with the CEO to obtain his views as to a successor in the event of unexpected incapacity. The Committee shall monitor the progress and development of executives in accordance with the succession plans and annually review the adequacy of the succession candidates to foster timely and effective executive continuity. The Committee shall report on these matters to the Board at least once a year.
- (i) The Committee shall review the benefits provided by any pension plans for Company Management, Directors and employees to ensure that the pension plan is competitive and meets the needs of the Company.
- (j) The Committee shall periodically review the Company's management organization structure and the CEO's proposals for changes to that structure and report any significant organizational changes, along with the Committee's recommendations, to the Board.
- (k) Under the authority of the Board, the Committee shall, with respect to boards of directors of unrelated corporations which operate for profit and which compensate members of their boards and/or significant commitments with respect to non-profit organizations:
  - (i) review a limit on the number of such boards or non-profit organizations on which individual members of Company Management may participate;
  - (ii) receive notice of proposed membership or commitment by a member of Company Management and, upon consultation with the CEO, as applicable, have a right to object to such membership or commitment; and
  - (iii) confirm in writing, through the CEO, as applicable, to such member of Company Management that the Company shall not indemnify the employee nor be exposed to liability with respect to the employee's participation on such board or non-profit organization. Where it is the CEO participating in such board or non-



profit organization, the Committee Chair will provide written communication directly to the CEO.

(l) The Committee shall annually review management's assessment of compliance with laws, regulations, and disclosure requirements as they relate to the responsibilities outlined in this Charter.

(m) Ensure the production of a report on executive compensation for publication in public disclosure documents and review this report with the Board and recommend to the Board for approval.

(n) The Committee shall also have such other powers and duties as delegated to it by the Board.

## 5. COMPENSATION COMMITTEE AUTHORITY AND RESOURCES

5.1 The Compensation Committee has the authority, without further approval of the Board of Directors to:

(a) engage independent legal counsel, compensation consultants and other advisors (each, an "**Independent Advisor**") as it determines necessary to carry out its duties;

(b) set and pay the compensation for any such advisors employed by the Committee, funded by the Company;

(c) communicate directly with external advisors and any other personnel of the Company; and

(d) have unrestricted access to any personnel and documents of the Company relevant to performance of the Committee's duties.

5.2 The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Independent Advisor retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Independent Advisor retained by the Committee.

5.3 Notwithstanding its authority to engage Independent Advisors, the Compensation Committee may select an Independent Advisor to the Compensation Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following:

(a) the provision of other services to the Company by the person that employs the Independent Advisor;

(b) the amount of fees received from the Company by the person that employs the Independent Advisor, as a percentage of the total revenue of the person that employs the Independent Advisor;

- (c) the policies and procedures of the person that employs the Independent Advisor that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the Independent Advisor with a member of the Compensation Committee;
- (e) any stock of the Company owned by the Independent Advisor; and
- (f) any business or personal relationship of the Independent Advisor or the person employing the Independent Advisor with an executive officer of the Company.

5.4 Notwithstanding the engagement of an Independent Advisor or the receipt of advice or recommendations from such an Independent Advisor, the Compensation Committee:

- (a) will in no way be obligated to implement or act consistently with the advice or recommendations of the Independent Advisor; and
- (b) will at all times exercise its own judgment in the fulfillment of the duties of the Compensation Committee.

## **6. ACCOUNTABILITY**

6.1 The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on governance and human resource matters relative to the Company.

6.2 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.