



SPROTT INC.

## CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE MANDATE

### General

The board of directors (the “**Board**”) of Sprott Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the corporate governance and compensation committee (the “**Committee**”). For the purpose of this mandate, the term “Corporation” includes the Corporation and its subsidiaries.

The overall purpose of the Committee is to assist the Board (i) in maintaining high standards of corporate governance by developing, recommending and monitoring effective guidelines and procedures applicable to the Corporation, and by establishing the process for identifying, recruiting, appointing and/or providing ongoing development for directors and senior management of the Corporation; and (ii) in fulfilling its oversight responsibilities in relation to human resources and compensation by developing, monitoring and assessing the Corporation’s approach to the development and succession of key executives and the compensation of its directors, senior management and employees.

### Members

1. The Committee will be comprised of a minimum of three directors, each of whom shall be, in the determination of the Board, “independent” for the purposes of National Instrument 58- 101 *Disclosure of Corporate Governance Practices*. Each Committee member shall satisfy the independence and/or experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.
2. Members of the Committee shall be appointed annually by the Board at the first meeting of the Board *after* the annual general meeting of shareholders at which he or she is elected. Any member of the Committee may be removed or replaced at any time by the Board and shall serve until such member’s successor is appointed, unless that member resigns or otherwise ceases to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.
3. The Chair of the Committee will be designated by the Board, on the recommendation of the Committee, or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair of the Committee shall, among other things, have the following duties and responsibilities:
  - (a) overseeing the structure, effectiveness of the Committee, membership and activities delegated to the Committee;

- (b) chairing meetings of the Committee and encouraging free and open discussion at such meetings, including encouraging members to ask questions and express viewpoints during meetings;
- (c) scheduling and setting the agenda for meetings of the Committee with input from other members of the Committee, the Board and management as appropriate;
- (d) facilitating the timely, accurate and proper flow of information to and from the Committee, including reporting periodically to the Board;
- (e) arranging sufficient time during meetings of the Committee to discuss agenda items;
- (f) taking reasonable steps to ensure the duties of the Committee are understood by members; and
- (g) carry out such other duties as may reasonably be requested by the Board.

### **Meetings**

- 4. The Committee will meet at least once a year and meetings will be scheduled to facilitate the Committee carrying out its responsibilities. Additional meetings will be held as deemed necessary by the Chair of the Committee. The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee. The Committee shall have an *in-camera* session without non-independent directors and management as a regular feature of each regularly scheduled meeting. Any director of the Corporation may request the Chair of the Committee to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such director, and may participate in such meeting to the extent permitted by the Chair of the Committee.
- 5. Meetings of the Committee shall be validly constituted if a majority of the members of the Committee is present in person or by tele- or video- conference. A resolution in writing signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee duly called and held.
- 6. The Committee may invite such officers, directors, and employees of the Corporation as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the duties of the Committee.
- 7. The Committee shall submit the minutes of all meetings to the Board, and when requested to, shall discuss the matters discussed at each Committee meeting with the Board.

### **Committee Charter and Performance**

- 8. The Committee shall have a written charter that sets out its mandate and responsibilities and the Committee shall review and assess the adequacy of such charter and the effectiveness of the Committee at least annually or otherwise, as it deems appropriate, and recommend changes to the Board for approval. Unless and until replaced or amended, this mandate constitutes that charter.

### **Committee Authority and Responsibilities**

9. The Committee shall have the power and authority of the Board to perform the following duties and fulfill the following responsibilities:

*Corporate Governance*

- (a) Develop and recommend to the Board a set of corporate governance guidelines and procedures applicable to the Corporation. The Committee will annually reassess the corporate governance guidelines and procedures and recommend any necessary revisions to the Board.
- (b) Annually, together with the chairs of the other Committees, where appropriate, review the charters for the Board and Board committees which set out their mandates, duties and responsibilities. Recommend to the Board any amendments to such charters.
- (c) Make recommendations regarding the size and composition of the Board with a view to maintain the composition of the Board in a way which provides the best mix of skills, experience and diversity to guide the long-term strategy and ongoing business operations of the Corporation.
- (d) Review, as appropriate, corporate governance issues, trends and proposed, new or amended regulatory requirements.
- (e) Review and receive reports from management with respect to any irregularities reported pursuant to the Corporation's insider trading policy.

*New Director Nominees*

- (f) Establish and recommend to the Board qualification criteria for the selection of new directors to serve on the Board and annually review the appropriate experience, skills and characteristics required of each existing and new Board member.
- (g) Implement a procedure to reasonably identify, with as much advance notice as practicable, impending vacancies on the Board, so as to allow sufficient time for recruitment and introduction of proposed nominees to the existing members of the Board.
- (h) Work with the Chairman of the Board to identify individuals qualified to become Board members, consistent with criteria approved by the Board including consideration of:
  - (i) the competencies and skills the Board considers to be necessary for the Board, as a whole to possess;
  - (ii) the competencies and skills that the Board considers each existing director to possess;
  - (iii) the competencies and skills each new nominee will bring to the boardroom; and
  - (iv) whether each nominee can devote sufficient time and resources to Board member duties

with regard to their diversity, gender, age, expertise and experience (industry, professional and public service).

- (i) Recommend to the Board the director nominees for the next annual meeting of shareholders.

*Director Positions and Committee Composition*

- (j) Recommend to the Board the nominees for Chairman of the Board and, if applicable, the lead director.
- (k) Recommend to the Board the appropriate committee structure of the Board and (a) annually review and recommend to the Board qualified members of the Board for membership on committees of the Board and chairs of such committees, and (b) recommend committee members to fill vacancies as needed.
- (l) Develop and recommend to the Board position descriptions for the Chairman of the Board, the lead director, if applicable, and the chair of each Board committee.
- (m) Develop and recommend to the Board a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings, minimum attendance expectations and advance review of meeting materials.

*Director Education, Performance and Compensation*

- (n) Approve an appropriate orientation and education program for directors and oversee the training and orientation of directors.
- (o) At intervals which the Committee considers appropriate, evaluate the performance of (i) individual directors, (ii) the Board and (iii) Board committees. The purpose of the evaluations is to assess and, where possible, increase the effectiveness of the Board and its committees. The Committee may make recommendations to the Board for improving the Board's effectiveness and shall discuss annually with the full Board its effectiveness.
- (p) Annually review and make recommendations to the Board regarding retainers and fees paid to members of the Board and in so doing, the Committee may take into consideration the relative responsibilities of members of the Board serving on committees of the Board.
- (q) Recommend the termination of board membership of individual directors when appropriate.

*Selection and Succession Planning*

- (r) Recommend to the Board candidates for Chief Executive Officer (the "CEO"), President and all other senior management (collectively, "Senior Executives") and approve the terms of their appointment and termination or retirement.
- (s) Review succession planning programs for Senior Executives and contingency preparedness, including programs to appoint, train, develop and monitor Senior

Executives, to ensure that they are effective in building and retaining future talent and support diversity.

- (t) Review specific career planning for potential successors, monitor the progress and development of Senior Executives in accordance with succession plans and recommend to the Board changes to succession plans for Senior Executives.
- (u) Annually review the adequacy of existing succession pools for Senior Executives.

#### *Compensation Policies and Practices*

- (v) Review the compensation policies and practices of the Corporation to ensure that they are competitive and that they provide appropriate motivation for corporate performance and increased shareholder value, and make recommendations to the Board regarding same.
- (w) Oversee the administration of the Corporation's compensation programs, including any incentive compensation plans and equity-based plans, and the nature of the compensation provided under such programs to ensure that all management compensation programs are linked to meaningful and measurable performance targets.
- (x) Make recommendations to the Board regarding the adoption, amendment or termination of compensation programs and the formal approval of the adoption, amendment and termination of compensation programs of the Corporation, including for greater certainty, ensuring that if any equity-based compensation plan is subject to shareholder approval, that such approval is sought.
- (y) Establish and evaluate the appropriateness of performance goals for performance-based compensation and make recommendations to the Board regarding same.
- (z) Annually review and evaluate the implications of the risks associated with the Corporation's compensation policies and practices and, if necessary, identify practices that can be used to identify and mitigate such policies and practices that could encourage inappropriate or excessive risk taking.
- (aa) Periodically survey the executive compensation practices of other comparable companies and report back to the Board.
- (bb) Review and, if advisable, approve compensation for any newly hired individual (whether or not a Senior Executive) whose total annual compensation (including salary, bonus and any other incentive compensation) exceeds Cdn.\$1,000,000.

#### *Senior Executives and Directors*

- (cc) Develop and recommend to the Board position description for the CEO (which will include delineating management's responsibilities), and review and make recommendations to the Board on an annual basis regarding the corporate goals and objectives for the CEO, evaluate the CEO's performance against such goals and objectives, and report its findings and conclusions to the Board.
- (dd) Annually review, in consultation with the Chairman of the Board, and make such recommendations to the Board, as are appropriate based on its review, regarding the

CEO's annual base salary, the CEO's bonus and any stock option grants and other awards to the CEO under the Corporation's compensation programs. In evaluating the CEO's compensation, the Committee will consider the Corporation's performance and relative shareholder return, the compensation of CEOs at other companies, and the CEO's compensation in past years.

- (ee) Annually review, in consultation with the Chairman of the Board, and make recommendations to the Board regarding the performance of, and the annual base salary and bonus targets for, the other Senior Executives.
- (ff) Establish, if deemed necessary by the Committee, and recommend to the Board share ownership guidelines for Senior Executives and policies (including pre-approval requirements) for the number and type of boards of directors that Senior Executives may join (except for board of directors that Senior Executives are asked by the Corporation to join in connection with their employment).
- (gg) Review and recommend to the Board for approval the annual report on executive compensation required to be prepared under applicable corporate and securities legislation, regulation and rules including the disclosure concerning members of the Committee and settle the reports required to be made by the Committee in any document required to be filed with a regulatory authority and/or distributed to shareholders.

#### *Compensation Plans and Employee Bonus Pool*

- (hh) Determine (or delegate the authority to determine) and recommend to the Board for approval (i) the award of stock options under the Corporation's stock option plan and/or benefits under the Corporation's employee profit sharing plan, equity incentive plan for U.S. service providers and/or any other compensation plans, and (ii) on an annual basis, allocations to employees of bonus compensation under the Employee Bonus Pool.
- (ii) Review and recommend to the Board for approval any new compensation and benefit plans or changes to existing plans for Executives.

#### *Human Resource Policies and Oversight*

- (jj) Annually review and make such recommendations to the Board, as are appropriate, with respect to, the Corporation's key human resources policies and programs, including diversity policies.

#### *General*

- (kk) Provide regular reports of the Committee's activities to the Board.
  - (ll) At the request of the Board, investigate and report on such other matters as it considers necessary or appropriate in the circumstances.
10. The Chair of the Committee shall have the power and authority to award routine equity grants in reasonable amounts to new employees.

11. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Corporation.

**Authority to engage outside advisors**

12. The Committee has the authority to engage outside advisors as it determines necessary to carry out its duties, including, but not limited to identifying and reviewing candidates to serve as directors or officers and engaging compensation consultants.
13. The Corporation shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of (a) compensation to any advisors engaged by the Committee, and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

March 6, 2018