

## **BOARD GUIDELINES**

### **1 INTRODUCTION**

- 1.1 The Board of Directors (the “Board”) of Sabina Gold & Silver Corp (the “Corporation”) is responsible for the supervision of the management of the Corporation and for approving the overall direction of the Corporation in a manner that is in the best interests of the Corporation for its shareholders and other stakeholders. The Board has approved the following corporate governance guidelines which, together with the Board Mandate, the charters of the Board committees, and the Corporation’s principal corporate policies provide the general framework for the governance of the Corporation. The Board believes that these guidelines will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

### **2 BOARD RESPONSIBILITIES**

#### **Board Mandate**

- 2.1 The Board has responsibility for the overall direction of the Corporation in a manner that is in the best interests of the Corporation for its shareholders and other stakeholders. The Board has adopted a formal written mandate setting out the Board’s stewardship responsibilities, including:
- adopting and overseeing a strategic planning process;
  - satisfying itself as to the integrity of the Corporation’s senior officers and that they create a culture of integrity and safety throughout the organization;
  - monitoring financial reporting and management, and reviewing corporate disclosure and communication;
  - identifying risk and ensuring procedures are in place for risk management;
  - reviewing and approving annual operating plans and budgets;
  - succession planning, including appointment of senior officers ;
  - adopting a communications policy for the Corporation;
  - oversight of the Corporation’s internal control and management information systems; and
  - developing the Corporation’s approach to corporate governance principles specifically applicable to the Corporation;
- 2.2 The Board regularly reviews and confirms or updates the Board Mandate with changes deemed appropriate by the Board based on the Corporation’s circumstances and evolving corporate governance practices or as made advisable by changes to applicable corporate and securities laws.

#### **Corporate Governance**

- 2.3 The Board has delegated responsibility to the Nominating and Governance Committee for developing the Corporation's approach to corporate governance, including recommending modifications to these Board Guidelines for consideration by the Board.

### **3 BOARD ORGANIZATION & MEMBERSHIP**

#### **Director Selection Criteria**

- 3.1 The Nominating and Governance Committee will regularly review the characteristics, qualities, skills and experience for candidates with a view to diversity in their consideration of candidates to be considered for nomination to the Board. The Nominating and Governance Committee is mandated to identify qualified candidates for nomination as directors and to make recommendations to the Board. Directors are encouraged to identify potential candidates.

#### **Independence**

- 3.2 The Board annually reviews and makes a determination on the independence of each director in light of all applicable securities laws, rules and regulations and stock exchange rules and regulations. The Corporation will maintain a Board with at least a majority of directors as independent.

#### **Board Size and Composition**

- 3.3 The Board has the ability to increase or decrease its size within the limits set out in the Corporation's articles and by-laws. The Board believes that its size should be sufficient to provide a diversity of expertise and opinions; to allow effective committee organization; to remain size appropriate enough to enable efficient meetings and decision-making; and to maximize full Board attendance. The Board will review its size if a change is recommended by the Nominating and Governance Committee.

The Board has also adopted a Diversity Policy to ensure that there is broad expertise, experience and diversity represented on the BOD. Diversity in Sabina embraces knowledge and understanding of relevant diverse geographies, peoples, and their backgrounds including gender, ethnicity, demographic as well as their applicable experience and skill set. The Corporation has succeeded in fostering growth in the representation of women in leadership roles throughout the organization, including at the executive level (33% of the executive officers are female) and within the Board and its Committees and will continue to do strives to further increase women's representation on the Board.

#### **Election by Shareholders**

- 3.4 The members of the Board will be elected each year by the Corporation's shareholders at the annual general meeting of shareholders. The Board will propose a slate of nominees to the shareholders for election to the Board at each such meeting, providing shareholders the opportunity to vote for or withhold on each director. Between annual meetings of shareholders, the Board may appoint directors to serve until the next such meeting in accordance with the Corporation's articles and by-laws.

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#### **Selection of Board Chair**

- 3.6 The Board Chair will be appointed by the Board. The Board has adopted and will annually review the position description for the Chair. The Board has a preference for an independent, non-executive Board Chair, but will consider exceptions when that would be in the best interests of the Corporation for the shareholders.

#### **Lead Director**

- 3.7 The role of the lead director will normally be filled by the non-executive Board Chair. At any time when the Board Chair is not independent, the independent directors will select an independent director to carry out the functions of a lead director. This person will Chair regular meetings of the independent directors and assume other responsibilities which the independent directors as a whole have designated.

#### **Term Limits for Directors**

- 3.8 The Board has determined that fixed term limits for directors should not be established. The Board is of the view that such a policy would have the effect of forcing directors off the Board who have developed, over a period of service, increased insight into the Corporation and who, therefore, can be expected to provide an increasing contribution to the Board. At the same time, the Board recognizes the value of turnover in Board membership to provide diversity and the input of fresh ideas and views. The Nominating and Governance Committee is mandated to annually consider recommending changes to the composition of the Board.

#### **Retirement Age for Directors**

- 3.9 Unless otherwise determined by the Board, no person will be appointed or elected as director once that person has reached 75 years of age.

### **4 BOARD COMMITTEES**

- 4.1 The Board has determined that there should be four standing Board committees: (i) Audit Committee; (ii) Nominating and Governance Committee; (iii) Compensation Committee; and (iv) Health Safety and Environment Committee. The Board will change the Board committee structure and authorize and appoint other committees as it considers appropriate.

- 4.2 The Board has developed Committee Charters and position descriptions for the Board Chair and each Committee chair.

#### **Committee Charters and Responsibilities**

- 4.3 The Board has approved written charters for each committee setting forth its purpose, authority, duties and responsibilities.

- 4.4 The responsibilities of the *Audit Committee* will include assisting the Board in fulfilling its oversight responsibilities with respect to:

- a) reviewing and updating its Charter regularly;
- b) reviewing the Corporation's financial reporting process, internal control systems and monitoring the financial information disseminated by the Corporation;
- c) reviewing the Corporation's audit process and the performance and compensation of the Corporation's external auditors ;and

- d) Performing at least every three years a comprehensive review of the external audit function.

4.5 The responsibilities of the *Nominating and Governance Committee* will include assisting the Board in fulfilling its oversight responsibilities with respect to:

- a) regularly reviewing the Corporation's policies and corporate governance guidelines;
- b) identifying individuals qualified to be nominated as members of the Board with a view to maintaining an energetic diverse Board;
- c) regularly reviewing the structure and composition of Board committees;
- d) evaluating the performance and effectiveness of the Board, its committees and its individual members; and
- e) Providing continuing education opportunities for directors and an orientation and education program for new Board members.

4.6 The responsibilities of the *Compensation Committee* will include assisting the Board in fulfilling its oversight responsibilities with respect to compensation, recruitment, and succession planning of senior management and compensation of the Board by:

- a) Assessing the Corporation's policies and practices respecting compensation of senior officers and directors of the Corporation and to advise the Corporation's Board of Directors (the "Board") respecting the same;
- b) Regularly retaining independent third parties to provide peer assessments and recommendations to the Board regarding its Corporation compensation practices and policies with a view to ensuring competitive earnest packages and programs;
- c) To oversee the preparation of the Corporation's public disclosure regarding executive compensation practices.

4.7 The responsibilities of the *Health Safety and Environmental Committee* will include assisting the Board in fulfilling its oversight responsibilities with respect to:

- a) satisfying itself that the Corporation has developed, implemented and is maintaining an Occupational Health and Safety Policy;
- b) annually reviewing the Corporation's occupational health and safety policies and standards;
- c) receiving monthly reports from management on the nature and extent of compliance or any non-compliance? with occupational health and safety polices;
- d) receiving monthly reports from management on the nature and number of all lost time accidents, incidents; and
- e) consulting with the CEO and senior management as the committee may determine in the performance of tis duties:

#### **Membership of Committees**

4.8 The Board has determined that the Audit Committee, the Nominating and Governance Committee, and the Compensation Committee will be comprised entirely of directors determined by the Board to be independent.

4.9 In addition, all members of the Audit Committee will be financially adept and at least one member will be a financial expert.

- 4.10 After receipt of recommendations from the Nominating and Governance Committee, the Board will appoint the members of the committees annually, and as necessary to fill vacancies, and will appoint the Chair of each committee. Members of the committees will hold office at the discretion of the Board.

#### **Oversight of Committee Functions**

- 4.11 The purpose of Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board Committee, the Board is ultimately responsible for all matters assigned to a Board committee for its determination. Except as may be explicitly provided in the charter of a Board committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by a Board committee.

### **5 BOARD AND COMMITTEE MEETINGS & MATERIALS**

#### **Meeting Agendas**

- 5.1 The Chair and the Chief Executive Officer, in consultation with the Corporate Secretary, will establish the agenda for each Board meeting. Each director may suggest the inclusion of additional items on the agenda. The chair of each committee, where appropriate in consultation with the Chair, the Chief Executive Officer, and the Corporate Secretary, will establish the agenda for each committee meeting. Any committee member may suggest the inclusion of additional items on the committee agenda.

#### **Meeting Materials**

- 5.2 Board and committee meeting materials will be provided to directors before each Board or committee meeting in sufficient time to ensure adequate opportunity exists for review. If certain material is sensitive or confidential in nature, then the material will be distributed at the Board or committee meeting.

#### **Participation of Management at Board and Committee Meetings**

- 5.3 The Board considers there to be value in having certain senior management members attend Board and committee meetings to provide information and presentations regarding the business of the Corporation to assist the directors in their deliberations. Attendance by senior management will be determined by the Chief Executive Officer with the concurrence of the committee chairs and, where appropriate, the Chair. Members of management will be excluded from Board and committee meetings during which there are discussions of matters reserved for directors only.

#### **Meetings of Independent Directors**

- 5.4 The directors of the Board and committees will hold an in camera (senior management excluded) meeting in conjunction with every regular Board and committee meeting.

### **6 DIRECTOR COMPENSATION**

- 6.1 The Board has determined that the directors should be compensated in a form and amount that is appropriate and which is in accordance with comparative companies, having regard to such matters as time commitment, responsibility and trends in director compensation. The Compensation Committee is mandated to review the compensation of the directors on an annual basis. All compensation paid to directors will be publicly disclosed.

## **7 THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

- 7.1 The Board will support and encourage the members of management in the performance of their duties. Management will make appropriate use of the Board's skills before decisions are made on key issues. The Board has adopted and will annually review the position description for the Chief Executive Officer.

### **Limits on Management Authority**

- 7.2 The Board will approve annual business plans and budgets and material contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All material transactions, arrangements and commitments outside approved budgets and defined limits will require approval by the Board.

### **Evaluation of the Chief Executive Officer**

- 7.3 The Compensation Committee will conduct an annual review of the performance of the Chief Executive Officer against the goals and objectives which have been established by the committee and will review, assess and recommend the compensation of the Chief Executive Officer to the Board. The Chair of the Board and the Chair of the Compensation Committee will advise the Chief Executive Officer of the results of the assessment.

### **Director Access to Management**

- 7.4 All directors will have open access to the Corporation's senior management for relevant information.
- 7.5 Individual directors are encouraged to make themselves available for consultations with management outside of Board meetings in order to provide specific advice and counsel on subjects where such directors have special skills, knowledge and experience.

## **8 DIRECTOR RESPONSIBILITIES & PERFORMANCE**

### **Director Responsibilities**

- 8.1 Directors are expected to use their skills and experience to provide an oversight of the business and affairs of the Corporation. Directors have a statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.

### **Attendance at Meetings**

- 8.2 Directors are expected to attend all Board meetings and meetings of committees of which they are members, either in person or by conference call. A director will notify the Board or relevant committee chair or the Corporate Secretary if the director will not be able to attend or participate in a meeting. All directors are invited, but not required, to attend meetings of committees of which they are not members.

#### **Board and Committee Meeting Materials**

- 8.3 Directors are expected to review and be familiar with Board and committee meeting materials which have been provided in sufficient time for review prior to a meeting.

#### **Outside Advisors for Individual Directors**

- 8.4 Any director who wishes to engage an independent advisor to assist on matters involving the discharge of his duties and responsibilities as a director at the Corporation's expense should review the request with, and obtain the authorization of, the Nominating and Governance Committee.

#### **Assessment of Board and Committee Performance**

- 8.5 The Nominating and Governance Committee is mandated to undertake an annual assessment of the overall performance and effectiveness of the Board and each Board committee and report on such assessments to the Board. The purpose of the assessments is to ensure the continued effectiveness of the Board in discharging its duties and responsibilities and to contribute to a process of continuing improvement.

#### **Share Ownership**

- 8.6 Each non-executive Director, is required to own SBB common stock in an amount equal to or greater than three (3) times his or her annual retainer by the Director. Value will be calculated at the market value at the time of the annual information circular mailing. The Director will have five (5) years to reach this level of ownership.

#### **Conflicts of Interest**

- 8.7 Each director has a legal responsibility to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has an interest, and will recuse himself from any discussion or decision on any matter in which he is precluded from voting as a result of a conflict or which otherwise affects his personal, business or professional interests.

#### **Continuing Education**

- 8.8 The Board will facilitate continuing education opportunities for all directors to facilitate them maintaining and enhancing their skills and ensuring that their understanding of the Corporation's business remains current. Directors may, on approval from the relevant committee they are a member of that a continuing education course or conference is relevant to the Corporation's or the committee's business apply to the Corporation and be reimbursed for the costs of such course or conference.

## 8.9 Code of Business Conduct and Ethics

All Directors, Officers and Employees of the Corporation are bound by the Corporation's Code of Ethic Policy. The Nominating and Governance Committee has responsibility for monitoring compliance with the Code of Ethics Policy.

## 9 CORPORATE POLICIES

### Regular Review of Corporate Policies

9.1 The Nominating and Governance committee is mandated to conduct a regular review of the following principal corporate policies and recommend updates or amendments for consideration by the Board:

- Board Guidelines
- Board ManadateCode of Business Conduct and Ethics
- Diversity Policy

## 10 DISCLOSURE

### Annual Governance Reporting

10.1 The Corporation will publicly disclose, on an annual basis, its corporate governance practices in compliance with all relevant securities laws, rules and regulations and stock exchange rules and regulations.

### Ongoing Governance Disclosure

10.2 The Corporation will publicly disclose its Disclosure Policy, Diversity Policy, Code of Ethics, Majority Voting Policy, Audit Committee Charter, Whistleblower Policy and Community Relations Policy on its website and, where required by applicable law, on SEDAR at [www.sedar.com](http://www.sedar.com)

### Access to Disclosure

10.3 All documents and information referred to in these Corporate Governance Guidelines may be accessed through the Corporate Governance section of the Corporation's website at [www.sabinagoldsilvercorp.com](http://www.sabinagoldsilvercorp.com). As required by applicable law, certain information is included in the Corporation's annual information form and management proxy circular and posted on SEDAR at [www.sedar.com](http://www.sedar.com).

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