

**SILVER BULLION TRUST**  
**MANDATE FOR TRUSTEES**

**1. Primary Mandate**

The Trustees, who may also be called the “Board of Trustees”, have a collective responsibility for supervision of administration of the affairs of SILVER BULLION TRUST (the “Trust”) consistent with their powers and obligations under the Amended and Restated Declaration of Trust dated the 9<sup>th</sup> day of June, 2009, as the same may be further amended and/or restated from time to time, (collectively, the “Governing Declaration”) and other statutory and legal requirements generally applicable to trustees of a self-governing trust that is also a reporting issuer for securities purposes in Canada and is listed on the Toronto Stock Exchange.

The prime stewardship responsibility of the Board of Trustees is to ensure the viability of the Trust and its function as a passive holder of silver bullion and to ensure that it is managed in the interest of the Unitholders generally.

**2. Composition and Organization of Trustees**

**A. Selection of Trustees**

The Corporate Governance and Nominating Committee of the Trustees periodically reviews the desired size and composition of the Board of Trustees within the context of the Governing Declaration, the need for recruitment of new Trustees and the appropriateness of the competencies, skills and experience of nominees. After seeking input and suggestions, the Committee assesses any proposal for a new Trustee prior to the proposal being submitted to the Board of Trustees and, in turn, to Unitholders.

All new Trustees are briefed on the structure of the Trust, its activities and administration, its financial affairs, the securities and regulatory environment, reporting requirements and objectives as a whole. A Trustees' Manual is provided to each new Trustee.

**B. Membership Criteria**

Trustees must have qualifications equivalent to those prescribed for directors under applicable corporate and securities law of the Province of Ontario. They should have an appropriate mix of skills, knowledge and experience. Trustees selected should be able to commit sufficient time for the activities of the Board of Trustees.

All Trustees are required to act honestly and in good faith and with loyalty in the interests of the Trust.

### C. Independence

A majority of the Trustees shall be composed of Trustees who, in the reasonable opinion of the Board of Trustees, are the equivalent of “independent” under the provisions of National Instrument 58-101 of the Canadian Securities Administrators.

### D. Chairman

The Trustees shall, until otherwise determined, appoint a Chairman from among the Trustees. In the event that the Chairman is an officer of the Trust or of Silver Administrators Ltd. (the "Administrator"), the Trustees shall also appoint a Lead Trustee from among the non-administrative or independent Trustees to Chair the Board of Trustees at meetings where the administrative personnel are absent and to assume other appropriate functions equivalent to the role of a Lead Director in a corporate context.

### E. Retirement Age

A Trustee who has attained the age of 78 years prior to the annual meeting of Unitholders in any year, shall retire from office at such annual meeting, except as decided otherwise by the Board of Trustees.

### F. Term of Office

Subject to Section 8.2 of the Governing Declaration, the Trustees are elected by the Unitholders at each annual meeting and the term of office expires at the next annual meeting of the Unitholders or when a successor is elected.

## 3. Meetings of the Trustees

- (a) In order to carry out its mandate, the Board of Trustees holds regular meetings on a quarterly basis and additional meetings as required to consider particular issues or strategic planning or deal with specific matters between quarterly meetings whenever appropriate;
- (b) The Board of Trustees is the master of its own policies, procedures, practices and deliberations concerning the affairs of the Trust, subject to the provisions of the Governing Declaration;
- (c) Distribution of materials, financial and other information that is important to the Trustees' understanding of agenda items is generally effected in advance of a meeting. The Trustees invite members of the Administrator from time to time to attend part of Board meetings so as to allow Trustees to gain additional understanding and insight into the administration of the Trust;
- (d) The Trustees regularly meet *in camera* without any member of the Administrator present to ensure free and open discussion and communication among the non-administrative Trustees.

#### 4. Implementation

In order to carry out such responsibilities, the Trustees:

- (a) approve, and oversee the implementation of, the Trust's strategy and plan of affairs including the stewardship of the Trust, entering into of administrative, advisory, safekeeping, transfer agency and other service agreements, as well as any significant divestures of assets by the Trust;
- (b) review, with input from the Audit Committee, the financial performance and financial reporting of the Trust and assess the scope, implementation and integrity of the Trust and its internal control systems;
- (c) identify and assess the principal risks of the administration of the Trust;
- (d) oversee the public communications policy and shareholder relations activities of the Trust;
- (e) appoint the Officers of the Trust, ensuring that they are of the calibre required for their roles and planning their succession as appropriate from time to time;
- (f) review and approve, on an annual basis, the overall strategy of the Trust, all of which is developed in the first instance for consideration by the President and Chief Executive Officer;
- (g) review the performance of the Senior Officers of the Trust and of the Administrator in line with policies in effect from time to time and the Trust's strategy and objectives;
- (h) assess and select nominees for election as Trustees;
- (i) ensure that new Trustees are provided with adequate orientation;
- (j) develop, through the Corporate Governance and Nominating Committee, the Trust's approach to corporate governance issues;
- (k) establish and oversee sub-committees of the Trustees as appropriate, approve their mandates and approve the compensation of their members; and
- (l) assess the performance of the Trustees.

In carrying out its responsibilities, the Trustees shall adopt a code of conduct and ethics to govern behaviour of Officers of the Trust and officers and employees of the Administrator. The Trustees shall monitor the compliance with such code and, should any material waivers be granted to Trustees or Officers of the Trust, the Trustees should as a matter of policy cause this to be disclosed in the next ensuing quarterly or annual report on the finances of the Trust.

Trustees shall all be encouraged to attend in person meetings wherever feasible. Attendance at meetings shall be recorded.

Each of the Trustees is expected to agree to an evaluation of his or her individual performance as well as to a review of the collective performance of the Trustees as a whole. Trustees shall be encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and with the best interests of the Trust and its Unitholders generally.

## **5. Resources**

The Trustees shall have the authority to retain legal, accounting and other consultants to advise them. The Trustees may request any Officer of the Trust or any officer or employee of the Administrator or its outside counsel or the external/internal auditors to attend any meeting of the Trustees or to meet with any members of, or consultants to, the Trustees.

An individual Trustee shall be permitted to engage an outside advisor at the expense of the Trust where, for example, he or she is placed in a conflict position through activities of the Trust, but any such engagement shall be subject to the prior approval of the Trustees or the Chairman of the Corporate Governance and Nominating Committee.

Approved as revised: July 22, 2014