



## NOMINATION COMMITTEE MANDATE

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### **General**

The board of directors (the “**Board**”) of Sierra Metals Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the nomination 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 in establishing the process for identifying, recruiting and/or providing ongoing development for directors and senior management of the Corporation.

### **Members**

1. The Committee will be comprised of a minimum of three directors. Each Committee member shall satisfy the independence and/or experience requirements, if any, imposed by applicable securities laws, rules or regulations, any applicable stock exchange requirements 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 or by resolution after the annual general meeting of shareholders to 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. A member of the Committee will cease to be a member upon ceasing to be a director of the Corporation.
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) carrying out such other duties as may reasonably be requested by the Board.

### **Meetings**

4. The Committee will meet at least once per calendar 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 the 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.
6. 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.
7. 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.
8. 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.

### **Mandate Review**

9. The Committee shall review and assess the adequacy of this mandate and the

effectiveness of the Committee at least annually or otherwise, as it deems appropriate, and recommend changes to the Board for approval.

### **Committee Authority and Responsibilities**

10. The Committee shall have the power and authority of the Board to perform the following duties and fulfill the following responsibilities:
  - (a) Establish and recommend to the Board qualification criteria (with regard to diversity, gender, age, expertise and experience (industry, professional and public service)) 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.
  - (b) 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.
  - (c) Approve an appropriate orientation and education program for directors and oversee the training and orientation of directors.
  - (d) Recommend the termination of board membership of individual directors when appropriate.
  - (e) At the request of the Board, investigate and report on such other matters as it considers necessary or appropriate in the circumstances.
  - (f) Recommend to the Board the nominees for Chairman of the Board and, if applicable, lead director.
  - (g) Ensure that a proper succession planning process is in place to select a Chairman of the Board, and ensure that such process is effectively administered.
  - (h) Ensure that there is appropriate emergency CEO succession planning and ensure that such process is effectively administered.
  - (i) Ensure that there is appropriate succession planning for key executives to promote continuity in senior management, and recommend to the Board succession planning for key executives.
  - (j) Annually review the Corporation's management succession plan.

### **Authority to engage outside advisors**

11. The Committee has the authority to engage outside advisors, consultants and/or experts as it determines necessary to carry out its duties.
12. The Corporation shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment (a) of compensation to any

advisors, consultants and/or experts engaged by the Committee, and (b) of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**Limitations**

13. Notwithstanding the foregoing and subject to applicable laws, nothing contained in this mandate is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulations.
14. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders of the Corporation or other liability whatsoever.

This mandate was approved by the Committee and the Board effective August 18, 2015.