

**U.S. GEOTHERMAL INC.  
COMPENSATION AND BENEFITS COMMITTEE  
CHARTER**

**I. Purpose**

The primary objective of the Compensation and Benefits Committee (the “Committee”) of U.S. Geothermal Inc. (the “Company”) is to discharge the responsibilities of the Company’s Board of Directors (the “Board”) relating to compensation and benefits of the executive officers and directors of the Company.

**II. Organization**

Members of the Committee shall be directors and the Committee membership shall satisfy the laws governing the Company and the independence requirements of applicable securities law, stock exchanges and any other regulatory requirements, subject to applicable exceptions to such requirements. The Committee shall consist of at least two members, each of whom shall be a Board member. The members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee. The members of the Committee shall be removed by the Board. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee.

The Committee may form and delegate authority to subcommittees when appropriate and in compliance with applicable law, rules, regulations and stock exchange requirements.

**III. Meetings**

The Committee shall meet as many times as the Committee deems necessary, but not less frequently than two times per year.

The members of the Committee shall select a Chair who will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The Chair shall be an independent director.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as each other director in advance of the meeting.

#### **IV. Authority and Responsibilities**

To fulfill its responsibilities, the Committee shall:

1. Review and approve on an annual basis corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation, evaluate the CEO's performance in light of those goals and objectives and set the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the CEO in past years. The CEO may not be present during voting or deliberations on the CEO's compensation.
2. Review and approve on an annual basis the adequacy and form of compensation and benefits of all other executive officers and all directors. A member of the Committee must not participate in any review or assessment of their own remuneration, except in the case of non-employee director compensation.
3. Administer and make recommendations to the Board with respect to the Company's employees' and directors' equity incentive plan(s) and any other incentive compensation plans and equity-based plans.
4. Determine the recipients of, and the nature and size of equity compensation awards and bonuses granted from time to time, in compliance with applicable securities law, stock exchange and other regulatory requirements.
5. Prepare any report as may be required under applicable securities law, stock exchange and any other regulatory requirements.
6. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
7. Perform any other activities consistent with this Charter, the Company's constituting documents and governing law, as the Audit Committee or the Board deems necessary or appropriate.
8. Review its own performance annually.
9. Report regularly to the Board.

## V. Resources

The Committee may, in its sole discretion, retain or obtain the advice of such compensation consultants, independent legal counsel and other advisors (collectively, “Compensation Advisors”) as it may deem necessary or advisable in order to properly and fully perform its duties and responsibilities hereunder. Prior to engaging or obtaining advice from any Compensation Advisor, the Committee shall assess the independence of the Compensation Advisor, taking into consideration all relevant factors, including the following and any other factors required to be considered pursuant to all applicable legal and regulatory requirements:

- (a) the provision of other services to the Company by the person that employs the Compensation Advisor;
- (b) the amount of fees received from the Company by the person that employs the Compensation Advisor, as a percentage of the total revenue of the person that employs the Compensation Advisor;
- (c) the policies and procedures of the person that employs the Compensation Advisor that are designed to prevent conflicts of interest;
- (d) any business or personal relationship of the Compensation Advisor with a member of the Committee;
- (e) any stock of the Company owned by the Compensation Advisor; and
- (f) any business or personal relationship of the Compensation Advisor or the person employing the Compensation Advisor with an executive officer of the Company.

The Committee is required to conduct the independence assessment outlined in this Article V with respect to any Compensation Advisor that provides advice to the Committee, other than: (i) inhouse legal counsel; and (ii) any Compensation Advisor whose role is limited to: (x) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or (y) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the Compensation Advisor, and about which the Compensation Advisor does not provide advice.

Nothing in this Article V requires a Compensation Advisor to be independent, only that the Committee consider the enumerated independence factors before selecting or receiving advice from a Compensation Advisor. The Committee may select or receive advice from any Compensation Advisor it prefers including ones that are not independent, after considering the six independence factors outlined in (a)–(f) above.

The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Advisor retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for

payment of reasonable compensation to any Compensation Advisor retained by the Committee.