

**U.S. GLOBAL INVESTORS, INC.  
COMPENSATION COMMITTEE CHARTER**

**Adopted: September 29, 2003**

**Revised: September 21, 2004**

**Purpose**

The Compensation Committee (the "Committee") assists the Board of Directors (the "Board") in carrying out its responsibilities with respect to (a) employee qualified benefit plans and employee programs, (b) executive compensation programs, (c) stock option plans, and (d) director compensation programs.

**Membership**

The Committee shall consist of at least two (2) members of the Board of U.S. Global Investors, Inc. (the "Company"). In accordance with the rules adopted by The Nasdaq Stock Market ("Nasdaq"), each committee member shall be "independent" as that term is described in such rules. Members of the Committee may be removed from the Committee (with or without cause) by action of the Board.

**Meetings**

The Committee will hold regular meetings at least two times each year generally in conjunction with regularly scheduled meetings of the Board, and such special meetings as the Chair of the Committee or the Board may direct. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors. At each regularly scheduled meeting of the Board of Directors, the Chair of the Committee shall provide the Board of Directors with a report of the Committee's activities and proceedings.

**Responsibilities and Authority**

The functions of the committee, on behalf of the Board, shall be:

1. Elect a Chairperson of the committee.
2. The Committee shall meet at such times as the Chairperson shall determine, preferably in conjunction with regular Board meetings. A quorum of the Committee will consist of at least 50% of the members of the Committee.
3. To review compensation philosophy and major compensation programs, and to administer particular programs for which the committee is the designated administrator.
4. Review and approve corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years.
5. To annually review and establish a base salary for the executive officers.

6. To establish all components of compensation for directors and recommend changes to the board.
7. To review any proposed new compensation arrangement, which deviates materially from established compensation programs.
8. To review annually the design and administration of the stock option plans adopted by the company in performance of the fiduciary duties assigned to the committee.
9. To report all committee activities and findings to the board with recommendations for action when appropriate.
10. To review this Committees charter at least annually.
11. To annually evaluate this committees performance and provide a report to the Board.
12. The Committee, in discharging its responsibilities, may meet privately for advice and counsel with independent consultants, lawyers, or any other persons knowledgeable in the matters under consideration.
13. Make recommendations to the Board with respect to compensation plans, incentive compensation plans, equity-based plans and any other employee benefit plan or program for the officers or directors of the Company.