



**PAN AMERICAN**  
— SILVER —

## **MANDATE OF THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer (the “**CEO**”) provides effective leadership and vision for Pan American Silver Corp. (the “**Company**”) and sets an example for management to foster ethical and responsible decision-making, encourages individual integrity, accountability, social responsibility and appropriate oversight of management and best corporate governance practices.

The CEO and senior management team will have direct responsibility for the ongoing strategic planning process and the establishment of long term goals for the Company, which are to be reviewed and approved not less than annually by the board of directors of the Company (the “**Board**”).

### **APPOINTMENT**

The CEO will be appointed as CEO annually; and shall have the competencies and skills recommended by the Nominating and Governance Committee.

The CEO will report to the Chairman of the Board and be accountable to the Board and to the committees of the Board as requested from time to time by the Chairman of the Board and the chairs of the committees of the Board. The performance of the CEO shall be evaluated annually by the Human Resources and Compensation Committee, who will report the results of such evaluation to the Board.

### **DUTIES AND RESPONSIBILITIES**

#### **Working with Management**

The CEO shall be responsible for the management of the affairs of the Company. The CEO shall have the following specific responsibilities but these do not, in any way, limit or comprehensively define the CEO’s overall responsibilities for the management of the affairs of the Company:

- a. provide leadership and vision to manage the Company in the best interests of its shareholders;
- b. provide general supervision and management of the daily and routine affairs of the Company within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board’s expectations of management;
- c. guide and inspire the employees of the Company, providing the executive leadership necessary to ensure the long-term success of the Company;
- d. provide leadership in establishing the Company’s long term strategic plan in conjunction with the Board;
- e. develop and maintain an effective organizational structure that reflects operational needs and defines the authority and responsibility of management;
- f. appoint, counsel and monitor the performance of senior management, and to ensure the Board has regular exposure to senior management;



- g. set the ethical tone for the Company and management, including (i) overseeing the administration and implementation of, and compliance with, the Company's policies and procedures; (ii) satisfy the Board as to the integrity of the CEO and other senior officers; and (iii) satisfy the Board that the CEO and other senior officers create a culture of integrity throughout the organization; and
- h. with the chief financial officer of the Company, to implement policies and processes to ensure the integrity of the Company's internal control, management information systems and financial reporting.

### **Working with the Board**

The CEO shall:

- a. communicate in a timely fashion with the Board any matters of importance affecting the Company and its ability to carry on its business, to work closely with the chairman of the Board in setting Board agendas, and to provide timely and relevant information to the Board to enable the Board to effectively discharge its obligations;
- b. assist the Nominating and Governance Committee in developing and updating the Board, Board committee and executive position mandates;
- c. assist the Nominating and Governance Committee in developing an orientation program for new directors and a continuing education program for directors;
- d. together with the Human Resources and Compensation Committee, to oversee the human resources department, including the succession planning process, and to make recommendations to the Board for the appointment of officers of the Company;
- e. together with the Human Resources and Compensation Committee, make recommendations to the Board on salary levels and bonuses for senior management and stock options for employees, management and service providers;
- f. together with Human Resources and Compensation Committee and the Company's Human Resources Department, recruit and develop individuals for senior management positions within the Company to ensure the appropriate skill, experience and diversity are adequately reflected in its overall composition;
- g. together with the Nominating and Governance Committee and the Board, to annually review and make recommendations to the Board with respect to the appropriateness of the terms of this position description;
- h. together with the Human Resources and Compensation Committee and the Board, to participate in developing CEO annual accountabilities consisting of personal and corporate goals and objectives aligned with the Company's mission, long term goal and strategic objectives, as well as indicators to measure the CEO performance, and present them to the Board for review, and in the Board's discretion, approval; and
- i. ensure that annual objectives, long term and strategic plans, periodic business, capital and operating plans and budgets for the Company are developed and recommended to the Board for approval, and to monitor the corporate performance relative to the foregoing and provide periodic reports to the Board on such performance.



## Regulatory and Relations with Stakeholders

The CEO shall:

- a. serve as an external spokesperson for the Company, including effectively managing relations with the Company's external stakeholders, shareholders, customers, creditors, suppliers, the media, government and non-government organizations;
- b. ensure compliance with, and suggest to the Board for approval, any revisions to the communications practices of the Company;
- c. provide required regulatory certifications regarding the Company and its activities;
- d. assist in the formulation of the Company's corporate mission statement and overall strategy of the Company;
- e. facilitate the securing of any financings deemed by the Board to be necessary for the Company to maintain its operations and development and carry out assessments of various financing alternatives including debt, equity and hybrid options;
- f. ensure the development of appropriate funding alternatives with the development of a strategy for negotiating with debt investors and equity underwriters;
- g. make regular assessments of the capital structure of the Company in order to ensure an optimal capital mix of debt and equity; and
- h. otherwise ensure the development of policies necessary for the Company to achieve its strategy and objectives and recommend those policies to the Board as appropriate.