



PAN AMERICAN
— SILVER —

MAJORITY VOTING POLICY

Forms of proxy for the vote at a shareholders' meeting where directors are to be elected will enable the shareholder to vote in favour of, or to withhold from voting, separately for each nominee. At the meeting, voting on the election of directors will be by show of hands, unless either the Chair or a shareholder calls for a vote by ballot. In the case of a vote by ballot, the scrutineers will record with respect to each nominee the number of shares voted in favour and the number of shares withheld from voting for each nominee and, prior to receiving the scrutineer's report on the ballot, the Chair may announce the vote result based on the number of proxies received by the Company. In the case of a vote by show of hands, the number of votes in favour and the number of votes withheld for each nominee shall be based upon the proxies received by the Company. At the conclusion of the meeting, the results of the vote, whether by show of hands or by ballot, will be filed on SEDAR noting the number of votes in favour and the number of votes withheld for each nominee.

If, with respect to any particular nominee, the number of shares withheld exceeds the number of shares voted in favour of the nominee, then for purposes of this policy the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law.

A person elected as a director who is considered under this test not to have the confidence of the shareholders will forthwith submit to the board of directors his or her resignation, to take effect upon acceptance by the board of directors. The board will accept the resignation absent exceptional circumstances. The director who tenders a resignation in connection with this Policy will not participate in any meeting of the board of directors or any committee of the board of directors at which the resignation is considered.

Within 90 days of the date of the relevant shareholders' meeting, the board must make its determination whether or not to accept the resignation and issue a press release either announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation. The Company must provide a copy of any such press release to the Toronto Stock Exchange.

Subject to any corporate law restrictions, the board of directors may:

- a. leave the resultant vacancy unfilled until the next annual general meeting;
- b. fill the vacancy through the appointment of a new director whom the board considers to merit the confidence of the shareholders; or
- c. call a special meeting of shareholders at which there will be presented a new nominee or nominees proposed by management to fill the vacant position or positions.

This policy does not apply in the case of contested meetings where the number of directors nominated for election is greater than the number of seats available on the board of directors.