



## **GLOBAL GUIDELINES REGARDING TAX MATTERS**

The following document outlines the Global Guidelines Regarding Tax Matters for Pan American Silver Corp. (“Pan American” or the “Company”), which sets our approach to various tax matters.

These Guidelines are aligned with the principles outlined in the Company’s Global Code of Ethical Conduct. The Guidelines are reviewed periodically by the Audit Committee of Pan American’s Board of Directors. Management is responsible for ensuring compliance with these Guidelines and providing regular reporting back to the Audit Committee.

### **APPROACH TO TAX MATTERS**

Pan American is committed to complying with applicable the tax laws and regulations in all jurisdictions where the Company operates. This includes ensuring that tax filings and disclosures are accurate and made on a timely basis with local tax authorities. The Company strives to ensure that all material tax payments that are required to be paid are made in full and on time.

We understand that audits and reviews of tax filings are a normal part of the work done by local tax authorities. The Company approaches these inquiries as an opportunity to build open communications with the tax authorities. We respond to inquiries from local tax authorities in a timely and transparent manner.

If disputes arise with the local tax authorities, the Company seeks to resolve these disputes in a constructive manner based on open communication and utilizing available regulatory and legal processes.

### **APPROACH TO TAX PLANNING**

Pan American undertakes tax planning to support the growth and development of its business. Transactions are undertaken primarily for bona fide commercial purposes, and not solely to generate a tax benefit or to circumvent the letter, spirit, and intent of the relevant tax laws and regulations. Pan American does not engage in transactions that seek to evade tax or whose benefits can only be achieved through non-disclosure of the transaction.

When necessary, Pan American engages external advisors to assist in the analysis of tax planning transactions who, in part, support us in understanding and complying with applicable tax laws and regulations. This is an important step in understanding and minimizing potential risks associated with proposed transactions as the Company does not pursue aggressive tax planning strategies in its business.

### **APPROACH TO INTERCOMPANY TRANSACTIONS**

Pan American engages in inter-company transactions with our domestic and foreign subsidiaries. In accordance with the Organization of Economic Co-operation and Development (OECD) Transfer Pricing Guidelines, all material transactions are completed using arm’s length transfer prices and are supported by appropriate contemporaneous documentation.



## APPROACH TO TAX TRANSPARENCY

Since 2018, Pan American has filed its Country-by-Country Report (CbC Report) each year with the Canadian tax authorities in accordance with the OECD's Base Erosion and Profit Shifting Action 13. The CbC Report contains an allocation by jurisdiction of an organization's key financial metrics, including revenue, taxes paid on profits, stated capital, accumulated earnings, number of employees, and tangible assets. CbC Reports are automatically exchanged with other jurisdictions where the organization operates if:

- the other jurisdiction has implemented CbC Reporting legislation,
- the two jurisdictions have a legal framework in place for automatic exchange of information (e.g., the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) or a bilateral tax treaty), and
  - they have entered into a qualifying competent authority agreement relating to CbC reporting.

The information the CbC Report should be accessible in most countries in which Pan American operates.

Pan American does not make any political donations or political contributions in any of the jurisdictions in which it operates. We comply with the Canadian Extractive Sector Transparency Measures Act (ESTMA), which requires public reporting of payments to governments over CAD 100,000. Our ESTMA reports can be accessed on our website.

We publicly disclose payments in accordance with the Extractive Industries Transparency Initiative (EITI) where applicable.

Furthermore, we report payments made to all levels of governments and their related departments in all our operating jurisdictions. These payments are included in the Socio-Economic Contributions section of our Annual Sustainability Report and reflect our commitment to sustainable development in the jurisdiction in which we operate.

Pan American is also transparent in its disclosures relating to financing entities in the jurisdictions in which we have a presence. For example, the Company has an offshore financial entity that provides self-insurance against certain risks at our worldwide mining operations. These risks are limited to an acceptable economic level, with third-party insurers providing the remaining insurance coverage for our operations. The pricing associated with the intercompany component of the insurance is consistent with the arm's length principles set out in the OECD's Transfer Pricing Guidelines. Furthermore, the activities of any such entities are fully disclosed, as required, under the tax laws and regulations of the applicable jurisdictions.