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February 2021

LongView

Pan American Silver Corp.
Corporate Board Report

**The David and Sharon
Johnston Centre for
Corporate Governance
Innovation**

Rotman
Here's where it changes.

Preface:

Outside the Box

Welcome to LongView. Your customized report on *Pan American Silver Corp.*'s corporate governance disclosure, process and structure.

Over the past 20 years, our researchers have learned that while there is likely no single best practice, good governance is a critical part of long-term, sustainable value creation. LongView is an evolution in governance reporting, enabling you to compare elements of *Pan American Silver Corp.*'s governance to other issuers at a glance, while moving away from the Johnston Centre's previous judgment-based approach. The Johnston Centre has developed LongView reports for every issuer (207) on the S&P/TSX Composite Index (TSX Index).

Access reports on other issuers at www.rotman.utoronto.ca/Johnston.

Pan American Silver Corp. (PAAS)

Corporate Profile

Industry:	Market Cap:	TSX Index Market Cap Rank:	Region:	Fiscal Year End:
Materials	\$8.5 billion	68 / 207	British Columbia, Canada	12/31

PAAS Ownership Type: Widely-Held

PAAS Size Peer Group: Market Cap Over \$4.75B*

*\$4.75B is the median market capitalization as of January 21, 2021 among our sample of 207 TSX Index companies

Ownership Type Breakdown: 2020 TSX Index	78% Widely-Held	10% Controlled: Single-Class	12% Controlled: Dual-Class
	No shareholder or entity holds shares with at least 30% voting control of the corporation.	A shareholder or a block of related shareholders controls at least 30% of all votes.	At least 30% of all votes are controlled by a shareholder or a block of related shareholders using a share class with superior voting rights.

Board Composition

Boards require the right people with an array of skills and perspectives to advise and oversee the organization. This section provides a snapshot of the salient features of *Pan American Silver Corp.* board's composition—size, independence, committee independence, demographics and director tenure—as it compares to other issuers across the TSX Index.

Board Size Comparisons

PAAS	TSX Index	Materials	Widely-Held
7	9.7 avg	9.1 avg	9.5 avg

Highlights: Board Renewal Practices

The Johnston Centre tracks several variables on board renewal. Below you'll find what we learned about Pan American Silver Corp.'s renewal policies and the adoption of renewal policies across the TSX Index:

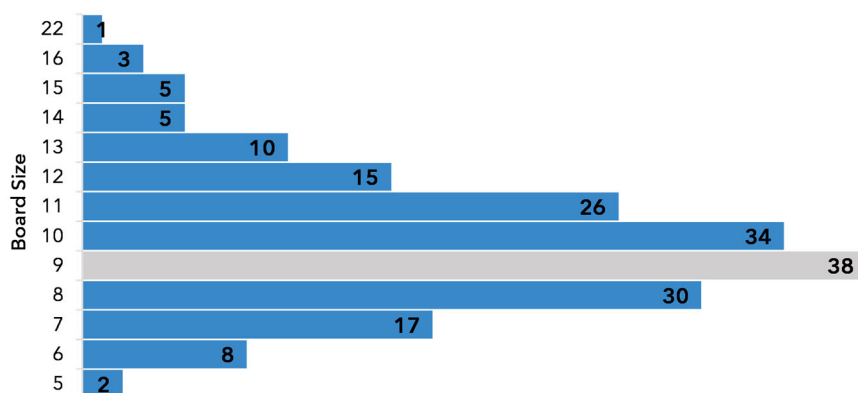
Does PAAS have a director term limit? **No**

29.0% TSX Index Adoption

Does PAAS have a director retirement age limit? **No**

37.2% TSX Index Adoption

Board Size Distribution TSX Index in 2020



Board Demographic Composition Comparisons

Category	PAAS	TSX Index	Materials	Widely-Held
Percentage (number) of Women*	14.3% (1)	28.8%	25.2%	28.4%
Percentage (number) of Aboriginal Peoples or Visible Minorities*	0% (0)	5.1%	6.5%	4.2%
Average Age	63.6	61.9	61.5	62.1
Average Tenure	9.9	7.4	6.9	6.9

*Peer Group numbers are averages.

Board Independence

There are a multitude of definitions and guidelines around director independence, which can make it difficult to meet everybody's expectations. The Johnston Centre understands that independence involves much more than can be measured on paper. We do, however, gather many variables related to the various relationships that directors might have to a company.

In this section, we summarize what we know about the independence of the *Pan American Silver Corp.* board and provide comparisons to other companies on the TSX Index.

Pan American Silver Corp. Board Independence

Independent directors: 6 / 7 (85.7%)	Audit Committee: 3/3 (100%) Independent
CEO/Chair Roles Split: Yes - Independent Chair	Human Resources Committee: 3/3 (100%) Independent
Lead Director: Yes	Nominating Committee: 2/2 (100%) Independent

Types of Material Relationships on TSX Index Boards

Business with the Corporation	Related Party Executives	Executives of the Company	Family Ties
21.7% of issuers have board members that are lawyers or other professionals retained by the company, or owners/executives that control a third-party entity engaged in business with the company.	15.9% of issuers have an executive from a parent/subsidiary/sister company on the board.	13.5% of issuers have more than one company executive on the board.	12.1% of issuers are considered family enterprises, with at least one generation of family succession and family members on the board.

Board Independence Comparisons

Peer Group	Average Board Independence	Companies with an Independent Chair	Companies with a Lead Director if Chair is Non-Independent
TSX Index	81.1%	66.2%	85.7%
Materials	82.3%	65.2%	87.5%
Widely-Held	84.0%	77.0%	89.2%

Committee Independence Comparisons

Peer Group	Audit Committee	Human Resources Committee	Governance Committee	Nominating Committee
TSX Index	99.5%	91.8%	87.9%	89.9%
Materials	100%	97.8%	91.3%	93.4%
Widely-Held	100%	98.7%	95.6%	97.5%

Board Compensation

This section provides a snapshot of the *Pan American Silver Corp.* board's compensation—features, total cost, and pay breakdown—compared against other TSX Index peer groups.

Pan American Silver Corp. Board Compensation Info

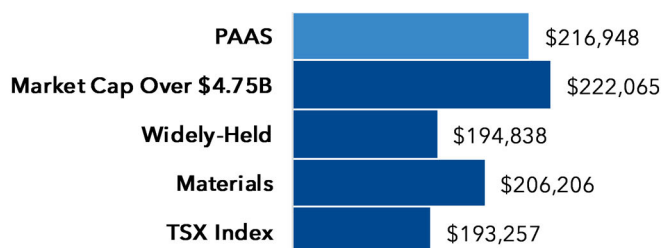
2019 Average Compensation per Director: \$216,948

Director Share Ownership Requirement*: 1.6x

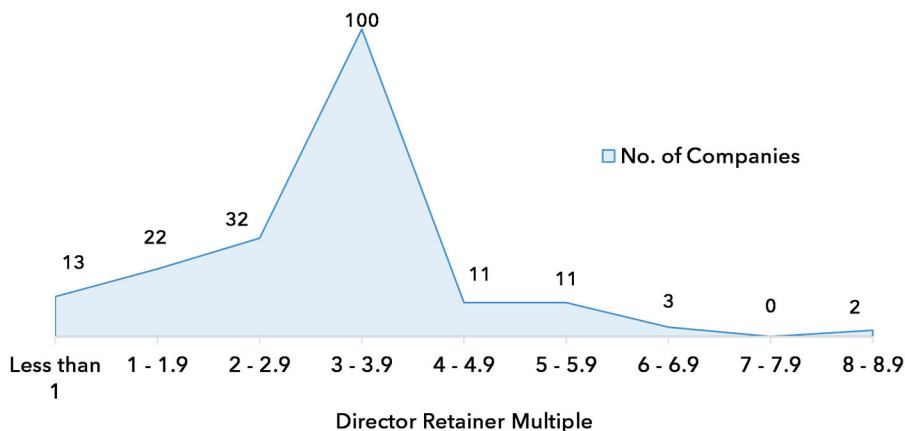
2019 Total Board Compensation: \$1,518,637

*Multiple of total retainer incl. cash and equity.

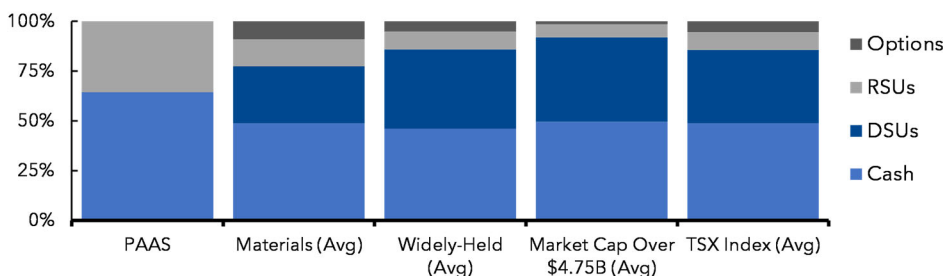
Comparisons: 2019 Average Pay per Director



TSX Index: Prevalence of Director Share Ownership Guidelines as a Multiple of Total Retainer



Comparisons: Compensation Breakdown Per Director in 2019



Highlights: Board Compensation

The Johnston Centre tracks the adoption and disclosure of several corporate governance parameters related to how corporate boards are paid. Below you'll find what we learned about Pan American Silver Corp. and adoption rate among Materials peers (Industry).

Are PAAS Directors Required to Hold Shares? **Yes**

97.1% Industry Adoption.

Does PAAS Pay Committee Fees? **Yes**

46% Industry Adoption.

Does PAAS Pay Board Meeting Fees? **Yes**

28% Industry Adoption.

Do PAAS Directors Receive Options? **No**

17% Industry Adoption.

CEO Compensation

CEO compensation is a key responsibility of the board. Every public board makes different decisions about CEO pay, often motivated by several considerations: recruitment and retention, resource allocation, shareholder concerns, company value and performance, and peer compensation. This section provides a snapshot of the *Pan American Silver Corp.* 2019 CEO compensation and characterizes overall pay according to the largest component: cash or equity. Compensation features and breakdown of pay are compared against TSX Index peers.

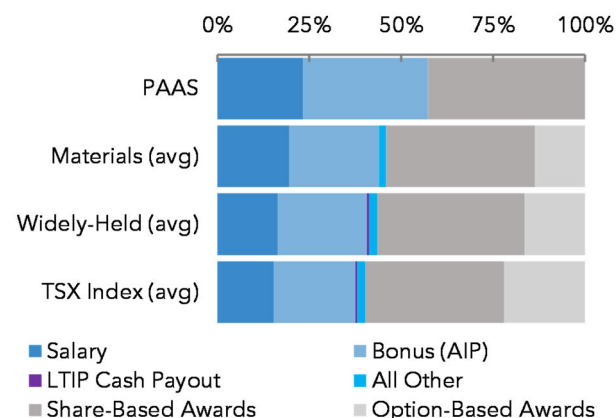
Pan American Silver Corp. CEO Compensation Info & Comparisons

CEO Total Pay: \$4,136,000	CEO Pay Type: Cash Focused
Market Cap Over \$4.75B CEO Pay Median: \$7,320,359	Materials CEO Pay Median: \$3,334,438

CEO Pay Types: TSX Index in 2019

Cash Focused CEO Pay	Balanced CEO Pay	Equity Focused CEO Pay
37% of issuers: Cash makes up at least 60% of the CEO's compensation excluding pension.	19% of issuers: Neither cash nor equity make up at least 60% of the CEO's compensation excluding pension.	43% of issuers: Equity awards make up at least 60% of the CEO's compensation excluding pension.

Comparison: CEO Pay Breakdown in 2019



Highlights: TSX Index CEO Pay

The Johnston Centre tracked several parameters on the compensation governance of TSX Index companies in 2020. Below we compare *Pan American Silver Corp.* to other companies in the Materials sector (Industry).

Does relative corporate financial performance affect the CEO's bonus at PAAS? **No**
32% Industry adoption.

Does PAAS disclose bonus metrics linking the CEO's bonus to corporate financial performance? **Yes**
89% Industry adoption.

Does PAAS disclose the weight given to each financial metric affecting the CEO's bonus payout? **Yes**
65% Industry adoption.

Can PAAS's CEO receive no bonus for not meeting targets under the plan? **Yes**
84% Industry adoption.

Does the PAAS CEO receive equity awards with performance hurdles that consider relative corporate financial performance? **Yes**
80% Industry adoption.

Does PAAS disclose a claw-back policy that enables the Board to recoup for reasons that do not require a financial restatement? **No**
26% Industry adoption.

Disclosure Examples

In this section, we highlight several areas where companies are less likely to earn maximum points in *The Globe and Mail's* annual corporate board ranking "Board Games". In each area, we indicate the 2020 result for *Pan American Silver Corp.* and offer examples of disclosure that meet the criteria for each question, which can be used as optional guides.

Board Games Questions with Low Adoption Rates

Board Games Question #	PAAS Score	TSX Index with max score (%)	References to Examples of Disclosure
7. b) Does the company describe how it considers the representation of women for the board of directors?	0/2	49%	Intact Financial Corp earns full marks, because its circular discloses a board gender diversity policy that includes a target for the representation of women, and shows how the board has surpassed the target. Reference: Intact Financial Corporation. (2020). Management Information Circular, 60. Retrieved from http://www.intactfc.com/English/investors/financial-reports-and-filings/default.aspx
8. Has the company addressed diversity on its board in areas other than gender?	0/2	2%	Cameco Corp earns full marks, because its circular discloses a diversity policy that requires at least one board member to identify as Indigenous and explains how the requirement has been met. Reference: Cameco Corporation. (2020). Management Information Circular, 29. Retrieved from https://www.cameco.com/media/media-library/documents/management-proxy-circular
9. Does the board have a system to evaluate its performance?	3/3	59%	Canadian Tire Corp earns full marks, because its circular discloses how board and individual director peer assessments are conducted. Reference: Canadian Tire Corporation. (2020). Management Information Circular, 27-28. Retrieved from https://corp.canadiantire.ca/English/investors/financials-reporting/annual-disclosures/default.aspx
25. Does the company disclose it has a provision to 'claw back' bonus payments to the CEO if wrongdoing is discovered?	1/2	35%	ATCO Ltd earns full marks, because its circular discloses that directors have the discretion to recoup bonus payments if they discover wrongdoing. Several activities constitute wrongdoing, and financial restatement is not required. Reference: ATCO Ltd. (2020). Management Information Circular, 41. Retrieved from www.atco.com/en-ca/about-us/investors/documents-filings.html
33. Does the company describe how it deals with related-party transactions?	0/2	14%	Ritchie Bros. Auctioneers Inc earns full marks, because its circular discloses the board committee responsible for reviewing related-party transactions, which parties are considered related, and the criteria used to evaluate related-party transactions. Reference: Ritchie Bros. Auctioneers Incorporated. (2020). Management Information Circular, 38. Retrieved from https://investor.ritchiebros.com/financials/sec-filings/default.aspx

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