

PAN AMERICAN SILVER CORP
Form 6-K
April 15, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of April 2015

Commission File Number 000-13727

Pan American Silver Corp.
(Translation of registrant's name into English)

1500-625 Howe Street, Vancouver BC Canada V6C 2T6
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

DOCUMENTS INCLUDED AS PART OF THIS REPORT

Document

- 1 Information Circular: Notice of 2015 Annual General and Special Meeting of Shareholders, dated April 7, 2015.
- 2 Form of Proxy for the 2015 Annual General and Special Meeting of Shareholders.

This report on Form 6-K is incorporated by reference into the Registrant's registration statements on Form F-10 (No. 333-195220) and on Form S-8 (Nos. 333-149580, 333-180494 and 333-180495) that have been filed with the Securities and Exchange Commission.

NOTICE OF
2015 ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS

INFORMATION CIRCULAR

APRIL 7, 2015

“Our mission is to be the world’s preeminent silver producer, with a reputation for excellence in discovery, engineering, innovation and sustainable development.”

What’s inside

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Notice of our 2015 Annual General and Special Meeting of Shareholders

When

Monday, May 11, 2015
2:00 p.m. (Vancouver time)

Where

Malaspina Room at the Fairmont Waterfront Hotel
900 Canada Place Way, Vancouver, British Columbia

We will cover six items of business:

1. Receive our consolidated financial statements for the financial year ended December 31, 2014 and the auditor's report thereon
2. Elect seven directors to hold office until our 2016 annual meeting of shareholders
3. Reappointment of Deloitte LLP as the independent auditor to hold office until our 2016 annual meeting of shareholders and authorize the directors to set the auditor's pay
4. An advisory resolution approving our approach to executive compensation
5. An ordinary resolution amending our 2010 Stock Option and Compensation Share Plan
6. Other business

Your vote is important.

You are entitled to receive this notice and vote at our 2015 annual general and special meeting of shareholders (the Meeting) if you owned common shares of Pan American Silver Corp. as of the close of business on March 30, 2015 (the record date for the Meeting).

The accompanying management information circular contains important information about what the Meeting will cover, who can vote and how to vote. Please read it carefully.

If you have any questions about the procedures to be followed to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare by telephone (toll free) at 1-800-564-6253.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Geoffrey Burns

Geoffrey Burns,
CEO and Director

Vancouver, British Columbia
April 7, 2015

Management Information Circular

You have received this management information circular (the Circular) because our records indicate that you owned Pan American common shares (Shares) as of the close of business on March 30, 2015, (the record date) for the 2015 annual general and special meeting of shareholders to be held on Monday, May 11, 2015 (the Meeting). You have the right to attend the Meeting and vote on various items of business in person or by proxy. You retain these rights if the Meeting is adjourned or postponed.

Both the Board of Directors (the Board) and management of Pan American encourage you to vote. Our management will be soliciting your vote for this Meeting and any Meeting that is reconvened if it is postponed or adjourned.

Management's solicitation of proxies will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by our directors, officers and employees of or by our registrar and transfer agent. We have retained Kingsdale Shareholder Services (Kingsdale) as our proxy solicitation agent for the meeting to whom customary fees for such services will be paid. We will bear all costs of solicitation, but will not reimburse shareholders' nominees or agents for costs incurred in obtaining their principal's authorization to execute forms of proxy.

Unless otherwise indicated, all currency amounts stated in this Circular are stated in the lawful currency of the United States.

This Circular is dated April 7, 2015. Unless otherwise stated, information in this Circular is as of March 30, 2015.

Receiving Documents

This Circular is expected to be mailed to our shareholders on or about April 14, 2015 with a proxy or voting instruction form, in accordance with applicable laws.

This Circular and other materials are being sent to both registered and non-registered shareholders.

If you are a registered shareholder, send your completed proxy by fax or mail, or on the internet, to Computershare Investor Services Inc. (Computershare). They must receive your proxy by 2:00 p.m. (Vancouver time) on Thursday, May 7, 2015, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the time of any adjournment or postponement of the Meeting. The chairman of the Meeting has the discretion to accept late proxy forms.

In this document, we, us, our, Pan American and the Company mean Pan American Silver Corp.

You, your and shareholder mean holders of common shares of Pan American.

Your vote is important. This Circular describes what the Meeting will cover and how to vote. Please read it carefully and vote, either by completing the form included with this package or by attending the Meeting in person.

If you are a non-registered shareholder and you have received these materials from us or our agent, we have obtained your name, address and information about your shareholdings from your securities broker, custodian, nominee, fiduciary or other intermediary holding these securities on your behalf in accordance with applicable requirements of securities regulators. By sending these materials to you directly, we (and not your intermediary) have assumed responsibility for delivering them to you and executing your proper

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voting instructions. Please return your voting instructions as specified in the enclosed voting information form.

If you are a non-registered shareholder and object to us receiving access to your personal name and address, we have provided these documents to your broker, custodian, fiduciary or other intermediary to forward to you. Please follow the voting instructions that you receive from your intermediary. Your intermediary is responsible for properly executing your voting instructions.

As a shareholder, you can decide if you want to receive our interim and annual financial statements and management's discussion and analysis (MD&A). To receive these materials, please complete the enclosed card to send us your instructions, complete the request contained on the form of proxy provided in connection with the Meeting or register online at www.computershare.com/maillinglist.

Additional Information

You can find financial information relating to Pan American in our comparative financial statements and MD&A for our most recently completed financial year. See our MD&A, financial statements and our annual information form (or Form 40-F) for additional information about us. These documents are available:

- on our website (www.panamericansilver.com)
- on SEDAR (www.sedar.com)
- on EDGAR (www.sec.gov/edgar.shtml)

You can also request copies of these documents or additional copies of this Circular, free of charge by contacting our corporate secretary:

Corporate Secretary	www.panamericansilver.com
Pan American Silver Corp.	1-800-677-1845 (North America toll-free)
1500 – 625 Howe Street	604-684-0147 (fax)
Vancouver, British Columbia V6C 2T6	

Our Board has approved the contents of this Circular and have authorized us to send it to you. We have also sent a copy to each of our directors and our auditor.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Geoffrey Burns

Geoffrey Burns,
CEO and Director

Vancouver, British Columbia
April 7, 2015

About the Meeting

Items of Business

We'll cover six items of business:

1. Receiving our consolidated financial statements for the financial year ended December 31, 2014, and the auditor's report
2. Electing seven directors to the board to hold office until the end of our 2016 annual meeting of shareholders
3. Appointing Deloitte LLP as our independent auditor and authorizing the directors to set the auditor's pay
4. 'Say on Pay'
5. Amending our Stock Option and Share Compensation Plan
6. Other business

Our transfer agent and registrar is Computershare Investor Services Inc.

They will act as scrutineer of the Meeting and are responsible for counting the votes on our behalf.

Receiving Our Financial Statements and the Auditor's Report

Our consolidated financial statements for the year ended December 31, 2014, and the auditor's report are included in our 2014 annual report, which is being mailed to all shareholders and is available on our website (www.panamericansilver.com) and on SEDAR (www.sedar.com).

A representative from Deloitte LLP, the independent auditor for 2014, will be at the meeting to answer any questions.

Electing Directors (see page 9)

You will vote on electing seven directors to the Board. The director nominees are:

Ross J. Beaty	Geoffrey A. Burns
Michael L. Carroll	Christopher Noel Dunn
Neil de Gelder	Walter T. Segsworth
David C. Press	

Directors are elected for a one-year term, which expires at the end of our 2016 annual meeting of shareholders.

Appointing the Independent Auditor and Setting the Auditor's Pay (see page 14)

You will vote on appointing our auditor. The Board, on the recommendation of the Audit Committee, has recommended that Deloitte LLP be reappointed as the independent auditor to serve until the end of our 2016 annual meeting of shareholders. You will vote on authorizing the Board to set the auditor's pay for the ensuing year.

'Say on Pay' (see page 14)

You will vote on our approach to executive compensation as disclosed in this Circular. Your vote is advisory and non-binding, and will provide the Board and the Human Resources and Compensation Committee with important feedback.

Amending our Stock Option and Compensation Share Plan (see page 15)

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You will vote on amending the terms of our stock option and compensation share plan to change the maximum number of compensation shares issuable under the Plan from 200,000 to 500,000 and to increase the time period in which an optionee, upon retirement, may validly exercise options.

Other Business

If other items of business are properly brought before the Meeting, you (or your proxyholder, if you are voting by proxy) can vote as you see fit. As of the date of this Circular, we are not aware of any other items of business to be considered at the Meeting.

Quorum and Approval

We need a quorum of shareholders to transact business at the Meeting. According to our articles of incorporation, a quorum for the transaction of business at a general meeting is two individuals who are shareholders, proxy holders representing shareholders or duly authorized representatives of corporate shareholders personally present and representing Shares aggregating not less than 25% of the issued Shares carrying the right to vote at that meeting.

Voting

Who Can Vote

You are entitled to receive notice of and vote at the Meeting to be held on May 11, 2015, if you held Shares as of the close of business on March 30, 2015, the record date for the Meeting.

Questions about voting?
Contact:

Each Share you own entitles you to one vote on each item of business to be considered at the Meeting.

Computershare Investor
Services Inc.
Attention: Stock Transfer
Services
100 University Avenue
8th Floor
Toronto, Ontario M5J 2Y12

How to Vote

You can vote by proxy or voting instruction form or you can attend the Meeting and vote your Shares in person.

Tel: 1-800-564-6253
(toll free)

Voting by Proxy or Voting Instruction Form

Voting by proxy or by voting instruction form is the easiest way to vote. It means you are giving someone else (called your proxyholder) the authority to attend the Meeting and vote your Shares for you.

There are different ways to submit your voting instructions, depending on whether you are a registered or non-registered shareholder.

Non-Registered Shareholders

You are a non-registered (or beneficial) shareholder if your Shares are registered in the name of:

- your bank, trust company, securities dealer or broker, trustee, administrator, custodian or other intermediary, who holds your Shares in a nominee account; or
- a clearing agency, like CDS.

The voting process is different depending on whether you are a registered or non-registered shareholder.

You are a registered shareholder if your name appears on your share certificate.

OBOs are objecting beneficial shareholders who do not want us to know their identity.

NOBOs are non-objecting beneficial shareholders that do not object to us knowing their identity.

You are a non-registered shareholder if your bank, trust company, securities broker, trustee or other financial institution holds your Shares (your nominee). This means the

Under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, we can deliver proxy-related materials directly to NOBOs. Our agent sends NOBOs the Meeting materials and a voting instruction form, along with instructions for completing the form and returning it to them. Our

agent is responsible for following the voting instructions it receives, tabulating the results and then providing appropriate instructions to our transfer agent, Computershare.

Shares are registered in your nominee's name, and you are the beneficial shareholder.

Be sure to follow the appropriate voting procedure carefully.

If you are an OBO, we must send the Meeting materials to your intermediary so they or their service company can forward them to you, unless you've waived the right to receive certain proxy-related materials. The package should include a voting instruction form for you to complete with your voting instructions.

In order to vote using the voting instruction form:

- NOBOs: Fill in the voting instruction form you received with this package and carefully follow the instructions provided. You can send your voting instructions by phone or by mail or through the internet.
- OBOs: Sign and date the voting instruction form your intermediary sends to you, and follow the instructions for returning the form. Your intermediary is responsible for properly executing your voting instructions.

If you are a non-registered shareholder and would like additional information or assistance in completing your voting instruction form or in obtaining the required information to submit your vote on the matters to be dealt with at the Meeting, you may contact Kingsdale Shareholder Services by telephone at 1-877-659-1825, toll-free in North America or call collect at 416-867-2272 outside of North America or by e-mail at contactus@kingsdaleshareholder.com.

Registered Shareholders

You are a registered shareholder if you hold a share certificate in your name.

Geoffrey A. Burns, our Chief Executive Officer, or failing him, Keenan Hohol (our General Counsel effective April 1, 2015), have agreed to act as the Pan American management proxyholders in connection with the Meeting. You can appoint a person or an entity other than the Pan American management proxyholders to attend the Meeting and vote on your behalf. If you want to appoint someone else as your proxyholder, strike out the names on the enclosed proxy form and print the name of the person you want to appoint as your proxyholder in the space provided. This person does not need to be a Pan American shareholder.

On any ballot, your proxyholder must vote your Shares or withhold your vote according to your instructions and if you specify a choice on a matter, your Shares will be voted accordingly. If there are other items of business that properly come before the Meeting, or amendments or variations to the items of business, your proxyholder has the discretion to vote your Shares as he or she sees fit.

It is important you provide voting instructions with your proxy. If you appoint the Pan American management proxyholders, but do not tell them how to vote, your Shares will be voted:

- for the nominated directors listed on the proxy form and in this Circular;
- for reappointing Deloitte LLP as the independent auditor;
- for authorizing the Board to set the auditor's pay;
- for the advisory resolution on our approach to executive compensation; and
- for the ordinary resolution amending our stock option and compensation share plan.

This is consistent with the voting recommendations of the Board. If there are other items of business that properly come before the Meeting, or amendments or variations to the items of business, the Pan American management proxyholders will vote according to management's recommendation.

If you appoint someone other than the Pan American management proxyholders to be your proxyholder, that person must attend and vote at the Meeting for your vote to be counted.

A proxy will not be valid unless it is signed by the registered shareholder, or by the registered shareholders' attorney with proof that they are authorized to sign. If you represent a registered shareholder who is a corporation or association, your proxy should have the seal of the corporation or association, where applicable, and must be executed by an officer or an attorney who has written authorization. If you execute a proxy as an attorney for an individual

registered shareholder, or as an officer or attorney of a registered shareholder who is a corporation or association, you must include the original, or a notarized copy of the written authorization for the officer or attorney, with your proxy form.

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If you are voting by proxy, you may vote by phone, by mail or on the internet.

Computershare must receive your proxy by 2:00 p.m. (Vancouver time) on Thursday, May 7, 2015, or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the province of British Columbia) prior to the time set for the Meeting or any adjournment or postponement of the Meeting. The chairman of the Meeting has the discretion to accept late proxy forms.

Voting by Telephone:

You may vote your Shares by telephone by dialling the following toll-free number from a touch tone telephone: 1-866-732-8683. If you vote by telephone, you will need your control number, which appears at the bottom of the first page of your proxy form.

Voting by Mail:

Complete your proxy form, including the section on declaration of residency, sign and date it, and send it to Computershare in the envelope provided.

If you did not receive a return envelope, please send the completed form to:

Computershare Investor Services Inc.
Attention: Proxy Department
100 University Avenue
8th Floor
Toronto, Ontario M5J 2Y1

Voting on the Internet:

Go to www.investorvote.com and follow the instructions on screen. If you vote using the internet, you will need your control number, which appears at the bottom of the first page of your proxy form.

Attending the Meeting and Voting in Person

Non-Registered Shareholders

- NOBOs: Follow the instructions on the voting instruction form. You must request a legal proxy form granting you the right to attend the Meeting and vote in person.
- OBOs: Follow the instructions on the voting instruction form from your intermediary, and request a proxy form, which grants you the right to attend the Meeting and vote in person.

When you arrive at the Meeting, make sure you register with a representative from Computershare so your voting instructions can be taken at the Meeting.

Registered Shareholders

Do not complete the enclosed proxy form if you want to attend the Meeting and vote in person. Simply register with a representative from Computershare when you arrive at the Meeting.

Send Your Voting Instructions Immediately

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Your vote will only be counted if Computershare receives your voting instructions before 2:00 p.m. (Vancouver time) on Thursday, May 7, 2015, if you are submitting your voting instructions online or by telephone, or if you are sending the proxy form by mail.

Make sure the proxy form is properly completed and that you allow enough time for it to reach Computershare if you are sending it by mail.

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If the Meeting is postponed or adjourned, Computershare must receive your voting instructions at least 48 hours before the Meeting is reconvened.

Changing Your Vote

Non-Registered Shareholders

Only registered shareholders have the right to revoke a proxy.

Non-registered shareholders can change their vote:

- NOBOs: contact our agent on the voting instruction form immediately so they have enough time before the Meeting to arrange to change their vote.
- OBOs: contact your intermediary immediately so they have enough time before the Meeting to arrange to change the vote and, if necessary, revoke the proxy.

Registered Shareholders

You can revoke your proxy by sending a new completed proxy form with a later date, or a written note signed by you, or by your attorney if he or she has your written authorization. You can also revoke your proxy in any manner permitted by law.

If you represent a registered shareholder who is a corporation or association, your written note must have the seal of the corporation or association, if applicable, and must be executed by an officer or an attorney who has their written authorization. The written authorization must accompany the revocation notice.

We must receive the written notice any time up to and including the last business day before the day of the Meeting, or the day the Meeting is reconvened if it was postponed or adjourned.

Send the signed written notice to:

Pan American Silver Corp.
Suite 1500, 625 Howe Street
Vancouver, British Columbia
Canada, V6C 2T6
Attention: Corporate Secretary

You can also give your written notice to the chairman of the Meeting on the day of the Meeting. If the Meeting has already started, your new voting instructions can only be executed for items that have not yet been voted on.

If you've sent in your completed proxy form and since decided that you want to attend the Meeting and vote in person, you need to revoke the proxy form before you vote at the Meeting.

Processing the Votes

Our transfer agent, Computershare, or its authorized agents count and tabulate the votes on our behalf.

We will file the voting results of the Meeting on SEDAR (www.sedar.com) and EDGAR (www.sec.gov/edgar.shtml) after the Meeting.

About the Nominated Directors

Our Board has determined that seven directors will be elected at the Meeting for the ensuing year. Mr. Robert Pirooz will not be standing for re-election. These directors will be elected based on the mix of skills and experience that the Board believes is necessary to effectively fulfil its duties and responsibilities. All nominated directors served on our Board last year.

Our Policy on Majority Voting

We have adopted a majority voting policy where any nominee proposed for election as a director is required to forthwith tender their resignation if the director receives more withheld votes than for votes (i.e., a majority of withheld votes) at any meeting where shareholders vote on the uncontested election of directors. An uncontested election means the number of director nominees for election is the same as the number of directors to be elected to the Board. Within 90 days of the relevant shareholders' meeting, the Board will 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 Board will accept the resignation absent exceptional circumstances and such resignation will be effective when accepted by the Board. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or any committee at which the resignation is considered.

Nominees for Election as Directors

The term of office of each of the present directors expires at the close of the Meeting. Persons named below will be presented for election at the Meeting as management's nominees. Unless otherwise instructed, the accompanying form of proxy will be voted for management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee in their discretion, unless the shareholder has specified in the accompanying form of proxy that such shareholder's Shares are to be withheld from voting on the election of directors. Each director elected will hold office until the close of our next annual meeting of shareholders or until his successor is elected or appointed, unless his office is earlier vacated in accordance with our articles or with the provisions of the Business Corporations Act (British Columbia).

The following table sets out information about management's nominees for election as directors, including:

- The municipality and province or state in which each nominee is ordinarily resident
 - All offices at Pan American currently held by each nominee
- Each nominee's principal occupation, business or employment and areas of professional expertise
 - The period of time for which each nominee has served as a director
- The number of Shares, options, restricted share units (RSUs) and performance share units (PSUs) of Pan American beneficially owned by each nominee, directly or indirectly, or over which each nominee exercises control or direction as at March 30, 2015
- Each nominee's election voting results from the Company's 2013 and 2014 Annual General and Special Meetings
 - Each nominee's attendance at Board and Committee meetings held in 2014

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<p>Ross J. Beaty, 63 Vancouver, B.C. Canada Director since September 30, 1988</p>	<p>Mr. Beaty founded the Company and served as CEO until May, 2004. Mr. Beaty is a geologist and resource company entrepreneur with more than 40 years of experience in the international minerals industry. He founded Pan American Silver Corp. and has also founded and divested a number of other public mineral resource companies since 1985.</p>
<p>Chairman (independent)</p>	<p>Mr. Beaty is a past President of the Silver Institute, a Fellow of the Geological Association of Canada and the Canadian Institute of Mining, and a recipient of the Institute's Past President Memorial Medal. In 2007, he received the Association of Mineral Exploration of B.C.'s Colin Spence Award for excellence in global mineral exploration and in 2008 the Mining Person of the Year award from the Mining Association of B.C. In 2010, Mr.</p>
<p>Principal Occupation: Executive Chairman, Alterra Power Corp.</p>	<p>received the Association of Mineral Exploration of B.C.'s Colin Spence Award for excellence in global mineral exploration and in 2008 the Mining Person of the Year award from the Mining Association of B.C. In 2010, Mr.</p>
<p>Securities Held</p>	<p>Beaty was presented with the Viola R. MacMillan Award by the Prospectors and Developers Association of Canada. In 2014 Mr. Beaty received the CIM's Vale Medal for meritorious contribution to mining.</p>
<p>Shares 2,618,680(1)</p>	
<p>Options 0</p>	<p>Mr. Beaty was born in Vancouver, Canada and educated at the Royal School of Mines, University of London, England, M.Sc., Distinction (Mineral Exploration) 1975 and the University of British Columbia, LL.B. (Law) 1979 and B.Sc. (Honours Geology) 1974.</p>
<p>Meets share ownership requirement</p>	
<p>Voting Results</p>	
<p>2014 For: 93.61% Withheld: 6.39%</p>	<p>Areas of Expertise: Metals and Mining, Mergers and Acquisitions, International Business</p>
<p>2013 For: 95.36% Withheld: 4.64%</p>	
<p>Member Attendance 2014</p>	<p>Other Directorships With Reporting Issuers</p>
<p>Board of Directors 6 of 6</p>	<p>Alterra Power Corp.</p>
<p>Committees: Finance of 4</p>	<p>4</p>
<p>Geoffrey A. Burns, 55 North Vancouver, B.C. Canada Director since July 1, 2003</p>	<p>Mr. Burns has been with the Company since 2002 and became President and COO in July, 2003. Mr. Burns has over 30 years of experience in the precious metals mining industry. He joined Pan American after serving as Senior Vice-President and Chief Financial Officer of Coeur d'Alene Mines Corp.</p>
<p>Chief Executive Officer and Director (non-independent)</p>	<p>Mr. Burns holds a Bachelor of Science degree in Geology and a Masters of Business Administration.</p>
<p>Principal Occupation: CEO of the Company</p>	<p>Mr. Burns' has extensive experience throughout North and South America in mine operations and project development, having participated in numerous mine construction projects from feasibility study, through start-up and into continuous operation. He has led numerous capital market transactions including placements of equity, debt and convertible debt, as well as having lead several key acquisitions for Pan American. Mr. Burns also served for a two year term as President of the Silver Institute, a non-profit international association of producers, refiners, silversmiths and bullion suppliers dedicated to the development and uses of silver and silver</p>
<p>Securities Held</p>	
<p>Shares 87,935</p>	
<p>Options 95,142</p>	

RSUs products in the global marketplace.

14,773

PSUs Areas of Expertise: Finance and Management, Metals and Mining,
30,408 International Business, Mergers and Acquisitions

Meets share ownership requirement

Voting Results

2014 For: 95.28% Withheld:

4.72%

2013 For: 95.98% Withheld:

4.02%

Member Attendance 2014

Board of Directors

6 of 6

Committees:

Health Safety & Environment

of 3

Finance

of 4

Other Directorships With Reporting Issuers

None

3

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Michael L. Carroll, 62 Mr. Carroll is a Corporate Director who joined Pan American's Board in Walnut Creek, CA USA January, 2011. He is a Certified Public Accountant with over 30 years of financial management expertise, primarily with publicly traded mining companies including Homestake Mining Company, Bond International Gold, and Cumberland Resources Ltd.

Director (independent) His professional expertise includes equity and debt-financing, mergers and acquisitions, strategic planning, GAAP, international tax planning and regulatory reporting.
Principal Occupation: regulatory reporting.
Corporate Director

Securities Held Most recently, Mr. Carroll served as Chairman of the Audit Committee and designated financial expert of Centenario Copper Corporation.

Shares

7,000

Options

Areas of Expertise: Finance and Management, Metals and Mining, International Business

Meets share ownership requirement

Voting Results

2014 For: 99.40% Withheld: 0.60%

2013 For: 99.26% Withheld: 0.74%

Member Attendance 2014

Board of Directors

6 of 6

Committees:

Audit (Chair)

6

of 6

Finance

4

of 4

Other Directorships With Reporting Issuers

None

Christopher Noel Dunn, 55 Mr. Dunn is a Corporate Director and was appointed to the Board in late 2011. Mr. Dunn has over 25 years' experience in the investment banking industry, having worked as a Managing Director in London for Goldman Sachs, as well as having been a Senior Managing Director and Head of Global Mining and Metals for Bear Stearns.

Director (independent) Mr. Dunn is currently Managing Partner of Ero Resource Partners LLC, which is focused on private equity investments in natural resources.

Principal Occupation:

Managing Partner, Ero Resource Partners LLC
Areas of Expertise: Finance and Management, Metals and Mining, International Business

Securities Held

Shares

941

Options

20,642

Meets share ownership requirement

Voting Results

2014 For: 95.01% Withheld:
4.99%

2013 For: 95.67% Withheld:
4.33%

Member Attendance 2014

Other Directorships With Reporting Issuers

Board of Directors

Pretium Resources Inc.

4 of 6

Committees:

Finance (Chair) 4
of 4

Human Resources & Compensation 4 of
5

Nominating & Governance 3
of 3

Neil de Gelder QC, 62 Mr. de Gelder is the Executive Vice-President of Stern Partners, a private
 Vancouver, B.C. diversified investment firm based in Vancouver.
 Canada
 Director since July 3, 2012 He was appointed to Pan American's Board in mid-2012 and has over 25
 years' experience as a lawyer specializing in corporate, M&A and financing
 matters with a major Canadian law firm.
 Director (independent)
 Principal Occupation: Mr. de Gelder is a past Executive Director of the British Columbia
 Executive Vice Securities Commission, and has served on a wide variety of corporate,
 President, Stern crown, charitable and community boards over the years, including serving
 Partners on the audit committee of a B.C. venture capital fund.

Securities Held	Areas of Expertise: Law, Finance and Management, Mergers and
Shares	Acquisitions, International Business
9,521	
Options	
12,245	

Meets share ownership requirement

Voting Results		
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2014	For: 95.00%	Withheld:
		5.00%
2013	For: 95.95%	Withheld:
		4.05%

Member Attendance 2014	Other Directorships With Reporting Issuers
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Board of		British Columbia Discovery Fund (VCC) Inc. (Chair)
Directors	6 of 6	
Committees:		
Nominating & Governance (Chair)	3	
of 3		
Audit		
6 of 6		

David C. Press, 69 Mr. Press is a Corporate Director with almost 40 years of diversified
 West Vancouver, B.C. experience in the mining industry. He has worked in underground and open
 Canada pit mines across Canada as well as in the United States and Australia.
 Director since May 13, 2008 While with Homestake Mining Company he held the position of Director,
 Mine Engineering and Development. In that capacity he provided technical
 Director (independent) support to all Homestake operations as well as leading the evaluation and
 investigation efforts for potential acquisitions on a world-wide basis.
 Principal Occupation: Mr. Press graduated from Nottingham University with an honours degree in
 Corporate Director mining engineering in 1967.

Securities Held	Areas of Expertise: Metals and Mining, International Business
Shares	
5,391	
Options	
0	

Meets share ownership requirement

Voting Results

2014 For: 99.38% Withheld:
0.62%

2013 For: 99.29% Withheld:
0.71%

Member Attendance 2014

Other Directorships With Reporting Issuers

Board of Directors 6 of 6

Committees:

Health, Safety & Environment (Chair) 3
of 3

Audit

6 of 6

Human Resources & Compensation 5 of
5

Walter T. Segsworth, 66 West Vancouver, B.C. Canada Director since May 12, 2009 Lead Director (independent)(2) Principal Occupation: Corporate Director	Mr. Segsworth is a Corporate Director who joined Pan American's Board in 2009. He holds a B.Sc. in Mining Engineering from Michigan Tech and has over 43 years of experience in mining in Canada and overseas. Mr. Segsworth has served on the Boards of Directors of several mining companies including Westmin Resources, where he was President and CEO and Homestake Mining Company, where he was President and COO. He was also the former Lead Director of the Board of Alterra Power Corp. Mr. Segsworth is past Chairman of both the Mining Associations of BC and Canada and was named BC's Mining Person of the year in 1996.
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Securities Held

Shares
13,021
Options
0

Areas of Expertise: Metals and Mining, Energy, International Business

Meets share ownership requirement

Voting Results

2014	For: 99.41%	Withheld: 0.59%
2013	For: 97.22%	Withheld: 2.78%

Member Attendance 2014

Board of Directors
6 of 6

Other Directorships With Reporting Issuers

Gabriel Resources Ltd.
Roxgold Inc.

Committees:

Human Resources & Comp (Chair)	5 of 5
Health, Safety & Environment	3 of 3

Notes:

- (1) 160,000 of these Shares are held by Kestrel Holdings Ltd., a private company owned by Mr. Beaty.
- (2) As lead independent director, Mr. Segsworth holds in-camera meetings with all independent directors of the Board and reports back on those in-camera meetings to the Board.

The municipality and province or state of residence, principal occupation and business or employment of each director is not within the knowledge of our directors or senior officers and has been furnished by the individual nominees. The number of Shares beneficially owned by each nominee or over which each nominee exercises control or direction set out in the above table has been obtained from publicly available insider reporting as at March 30, 2015 or has been provided by individual nominees.

Cease trade orders, bankruptcies, penalties or sanctions

In the last 10 years, none of the proposed directors has, or has been a director, chief executive officer or chief financial officer (while, or within a year of, acting in that capacity) of any company (including ours) that has:

- become bankrupt,
- made a proposal under legislation relating to bankruptcy or insolvency,
- been subject to or instituted any proceedings, arrangement of compromise with creditors, or
- had a receiver, receiver manager or trustee appointed to hold its assets, or the assets of the nominated director.

None of our nominated directors are, or have been within the last 10 years, a director, chief executive officer or chief financial officer of any company that was subject to:

- a cease trade order,
- an order similar to a cease trade order, or
- an order that denied the relevant company access to any exemption.

that was issued while the nominated director was acting in that capacity, or that was issued after the nominated director was no longer acting in that capacity, and which resulted from an event that occurred while that person was acting in that capacity.

None of the proposed directors have been subject to any penalties or sanctions imposed by a court or regulatory body, or have entered into a settlement agreement with any securities regulatory authority.

About the Auditor

Deloitte LLP has been our auditor since October 26, 1993. The auditor conducts the annual audit of our financial statements and provides audit-related, tax and other services and reports to the Audit Committee of the Board. Unless otherwise instructed, the accompanying form of proxy will be voted for the reappointment of Deloitte LLP as our auditor to hold office until our 2016 annual meeting of shareholders and for the authorization of the Board to fix auditor's pay.

Auditor's fees

The table below shows the fees earned by Deloitte LLP for services in 2013 and 2014(1):

	Year ended December 31, 2014 (\$)	Year ended December 31, 2013 (\$)
Audit	2,064,000	2,073,000
Fees		
Audit Related	28,000	22,000
Fees		
Tax-Related	81,000	149,000
Fees		
Other	10,000	33,000
Fees		
Total:	\$2,183,000	\$2,277,000

Note:

(1)The Audit Committee approved all audit and non-audit services provided to us by Deloitte LLP in 2014 and 2013.

'Say on Pay'

You will have the opportunity to vote on our approach to executive compensation at the Meeting. Since the resolution is advisory in nature, it will not be binding. However, we and, in particular, the Human Resources and Compensation Committee, will consider the outcome of the vote as part of our ongoing review of executive compensation. For information on our approach to executive compensation see "Executive Compensation" beginning on page 25. Unless

otherwise instructed, the accompanying form of proxy will be voted for this ordinary resolution.

The full text of the advisory resolution on our approach to executive compensation is as follows:

Be it resolved, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in Pan American's information circular for the annual meeting of shareholders of Pan American to be held on Monday, May 11, 2015.

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Stock Option and Compensation Share Plan

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution to amend the terms of the Company's stock option and compensation share plan (formerly known as the Company's "stock option and stock bonus plan", which was approved by the shareholders of the Company on May 13, 2008 and amended on May 10, 2010) (the Stock Option Plan) to: (i) increase the maximum number of compensation shares (Compensation Shares) issuable under the Stock Option Plan from 200,000 to 500,000 in each calendar year; and (ii) increase the time period in which an optionee, upon retirement, may validly exercise options. For greater certainty, the total number of Shares issuable under the Stock Option Plan will remain at 6,461,470. Unless otherwise instructed, the accompanying form of proxy will be voted for this ordinary resolution.

The text of the ordinary resolution to amend the Stock Option Plan to increase the maximum number of Compensation Shares issuable under the Stock Option Plan and to increase the time period in which a retiring optionee may validly exercise options (the Resolution) is annexed as Appendix B to this Circular.

The terms of the Stock Option Plan are described under the heading "Stock Option and Compensation Share Plan" beginning on page 44.

The Board believes that the proposed amendments to the Stock Option Plan are necessary and in the best interests of the Company and its shareholders in order for the Company and its subsidiaries to continue to attract and retain capable and experienced directors, officers and employees, as well as to provide incentives to other key service providers. The Company views Compensation Shares as a viable and preferable alternative to issuing stock options in certain of the foregoing circumstances and the Company does not believe that the current maximum number of Compensation Shares available is sufficient for these purposes. Since shareholders last reviewed the Stock Option Plan, the Company has experienced broader employee participation in its long-term incentive program. The availability of additional Compensation Shares will provide flexibility for future award grants, particularly when there is a decrease in the Company's Share price and when general market conditions are weak, as well as alternatives to long-term cash incentives.

The Company believes that increasing the number of Compensation Shares while not increasing the overall number of Shares (consequently options) issuable under the Stock Option Plan has two distinct advantages from a shareholder perspective: (a) issuance of Compensation Shares to key personnel more closely aligns the compensation with the interests of the shareholders; and (b) the Company considers the award of Compensation Shares to be an incentive more in-line with current corporate governance practices. In addition, the Company believes amending the treatment of options upon the retirement of an optionee rewards and incentivizes long-term employees and ensures commendable service to the Company is recognized.

In order to comply with the requirements of the TSX and Nasdaq, the Resolution must be approved by an ordinary resolution of shareholders. The proposed amendments of the Stock Option Plan are also subject to regulatory approval by the TSX and Nasdaq.

In the event that the Resolution is not approved by the requisite majority at the Meeting, the exercise period upon the retirement of an optionee will remain at 30 days after the optionee retires. In addition, the Company will be limited in the number of Compensation Shares that it may grant under the Stock Option Plan. Accordingly, the Company may be forced to provide an alternate form of compensation and incentives to its existing and future employees, directors and officers.

Corporate Governance

The Board believes that good corporate governance is important to our effective performance and plays a significant role in protecting our shareholders' interests and maximizing shareholder value.

Guidelines for effective corporate governance of listed companies are established by a number of sources, including:

- National Instrument 58-101 – Disclosure of Corporate Governance Practices (NI 58-101)
- National Instrument 58-201 – Corporate Governance Guidelines (together with NI 58-101, the Corporate Governance Disclosure Rules)
 - Sarbanes-Oxley Act of 2002
 - Nasdaq's corporate governance requirements (the Nasdaq Rules)
 - TSX corporate governance requirements

The Board is of the view that our system of corporate governance meets or exceeds these guidelines.

With the goal of continuously improving and enhancing our corporate governance standards and best practices, since 2010 we have presented a "say on pay" resolution to our shareholders and have adopted a majority voting policy on the election of directors in 2011.

Our overall corporate governance practices are compared with the NI 58-101 guidelines for effective corporate governance in Appendix A to this Circular.

Ethical Business Conduct

As part of its stewardship responsibilities, in February of 2003 the Board adopted formal Standards of Ethical Conduct which were designed to deter wrong-doing and to promote honest and ethical conduct and full, accurate and timely disclosure. These standards were revised, amended and restated as a Code of Ethical Conduct in December of 2005 in light of the adoption of the Corporate Governance Disclosure Rules, which was again revised, amended and restated as a Global Code of Ethical Conduct (the Code) in August of 2011 to contemplate, among other things, our Global Anti-Corruption Policy that was adopted in May of 2011 and revised in November of 2013. The Code is applicable to all of our directors, officers and employees.

The Board, through the Nominating and Governance Committee and the Audit Committee, monitors compliance with the Code and is responsible for the granting of any waivers from the Code to directors or executive officers. We will disclose any waiver from the requirements of the Code granted to our directors or executive officers in our next subsequent quarterly report.

About the Board

The Board has overall responsibility for corporate governance matters through:

- The development and approval of corporate policies and guidelines
- Assisting in the definition of corporate objectives and assessing key plans
- Evaluating our performance on a regular basis

Among other things, the Board is guided by legislative and other governance standards, as well as stock exchange rules and industry best practices. In addition, the Board has developed a mandate which sets out written terms of reference for the Board's authority, responsibility and function. This mandate was revised, amended and restated in

April 2003, March 2005 and again in November 2005, in light of the adoption of NI 52-110 – Audit Committees, the Corporate Governance Disclosure Rules, the provisions of the Sarbanes-Oxley Act of 2002 and the Nasdaq Rules. The Board, as a whole or through its committees, periodically reviews and assesses our policies and guidelines, as well as our governance practices, to ensure they are appropriate and current.

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The Board is comprised of individuals of the highest integrity, each of whom has the knowledge and skill necessary to contribute effectively to the oversight and guidance of Pan American. The Board has a majority of independent directors. Independence is in part a legal and regulatory construct, but is also evaluated on the basis that such directors are able to act objectively and in an unfettered manner, free from material relationships with us.

The Board has established five committees that each play a role in our business:

- Audit
- Health, Safety and Environment
- Nominating and Governance
- Human Resources and Compensation
- Finance

Each committee acts on issues that fall within its particular purview, but also on matters that overlap between committees and ultimately may involve the Board as a whole. The Board has developed charters or mandates for each of its committees which establish their specific roles and responsibilities, and has also adopted governance guidelines for certain of its committees. Committee members are appointed annually following our annual meeting of shareholders.

In fulfilling its governance responsibilities, the Board has delegated a significant portion of the day-to-day responsibility for corporate governance to the Nominating and Governance Committee. The Nominating and Governance Committee is responsible for developing and implementing board governance best practices and works closely with our General Counsel and our Corporate Secretary to ensure that the Nominating and Governance Committee is aware of developments and emerging trends in corporate governance. The Nominating and Governance Committee regularly reports, advises and makes recommendations on governance related matters to the Board. Please refer to the description of the Nominating and Governance Committee on page 20 for a more detailed description of its composition, function and responsibilities.

In addition, the Board relies on management to ensure we are conducting our everyday business to the appropriate standards and also to provide regular, forthright reports to the Board and its committees.

The Board works with management to develop our strategic direction. In 2013 both the Board and management held special meetings focussed on strategic planning including discussions relating to:

- The Company's long range strategic plan
- Establishing budgets and financial plans and strategies
- Competitive developments and corporate opportunities
- Strategic risks

The Board and management regularly discuss strategic issues at quarterly Board meetings and as needed throughout the year.

Composition of the Board and Independence

The Board currently consists of eight directors, six of whom, Ross J. Beaty, Michael L. Carroll, Christopher Noel Dunn, Neil de Gelder, David C. Press, and Walter T. Segsworth, qualify as independent directors under the Corporate Governance Disclosure Rules and the Nasdaq Rules. They are independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their

ability to act in our best interests. Geoffrey A. Burns and Robert P. Pirooz are related directors who are not independent due to their management positions with us. As such, the Board is currently 75% independent. Robert P. Pirooz will not stand for re-election as a director for the ensuing year.

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The independent members of the Board meet without the presence of the non-independent directors and management at every regularly scheduled meeting and at such other Board meetings as they deem appropriate. These in-camera meetings are led by the lead director, Mr. Segsworth. At present, Mr. Beaty does not attend the in-camera meetings of the independent directors. In addition, the Audit Committee regularly holds in-camera sessions with our auditor or amongst themselves. Other committees of the Board also hold in-camera sessions on an ad-hoc basis.

Board Committees

The following is a description of the composition and mandate for each of the committees of the Board.

Audit Committee

The Audit Committee is currently composed of three directors, each of whom is an unrelated and independent director for the purposes of the Corporate Governance Disclosure Rules and all of whom are independent directors for purposes of the Nasdaq Rules and as required by the Audit Committee Charter. The Audit Committee regularly holds in-camera sessions without management present.

The chair of the Audit Committee is Michael Carroll.

All members of the Audit Committee are financially literate. We consider financial literacy to be the ability to read and understand a company's fundamental financial statements, including a company's balance sheet, income statement and a cash flow statement. Mr. Carroll has significant employment experience in finance and accounting - he previously served as chair of the Audit Committee and designated financial expert of Centenario Copper Corporation - and has the requisite professional experience in accounting to meet the criteria of a financial expert within the meaning of section 407 of the Sarbanes-Oxley Act of 2002.

The Audit Committee assists the Board in its oversight functions as they relate to the integrity of our financial statements and accounting processes, and to the independent auditor qualifications and independence. In this regard the Audit Committee has primary responsibility for our financial reporting, accounting systems and internal controls. The Audit Committee has the following duties and responsibilities:

- Assisting the Board in fulfilling its responsibilities relating to our accounting and reporting practices
- Reviewing our audited financial statements and recommending whether such statements should be approved by the Board
 - Reviewing and approving our unaudited interim financial statements
- Reviewing and approving our MD&A and any press releases related to the annual and interim financial statements or any MD&A before we disclose this information
- Recommending to the Board the firm of independent auditors to be nominated for appointment by shareholders at each annual meeting of shareholders and, where appropriate, the removal of our independent auditor
 - Recommending to the Board the compensation to be paid to our independent auditor
 - Reviewing the audit engagement and scope of audits to be conducted by our independent auditor
 - Monitoring and evaluating the independence and performance of our independent auditor
- Overseeing the work of our independent auditor, including the resolution of any disagreements between management and the independent auditor regarding financial reporting
- Pre-approving all non-audit services to be provided to us by our independent auditor prior to the commencement of such services
- In consultation with management and the independent auditor, reviewing the integrity, adequacy and timeliness of our financial reporting and internal control structure

- Monitoring our compliance with legal and regulatory requirements related to financial reporting and disclosure
- Discussing with management and the independent auditor the adequacy and effectiveness of our financial accounting systems and internal control procedures
 - Reviewing and approving the appointment of our chief financial officer and key financial executives
- Establishing procedures for the receipt, retention, confidentiality and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters
- Annually reviewing and reassessing the adequacy of the duties and responsibilities of the Audit Committee set out in the Board’s formal written mandate
- Any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it

The Audit Committee is empowered to instruct and retain independent counsel or other advisors, set the pay and compensation for any such advisors and communicate directly with the independent auditor, as it determines necessary to carry out its duties. We will pay the costs of such advisors. The Audit Committee also has oversight responsibility for our internal audit group and function, and reviews and assesses internal audit findings. Additional information relating to the Audit Committee is contained in our Annual Information Form for the year ended December 31, 2014 under the heading “Audit Committee” and in Appendix A thereto.

The Audit Committee has prohibited the use of our independent auditor for the following non-audit services:

- Bookkeeping or other services related to our accounting records or financial statements
- Financial information systems design and implementation, except for services provided in connection with the assessment, design and implementation of internal account controls and risk management controls
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports, where the results of any valuation or appraisal would be material to our financial statements or where the accounting firm providing the appraisal, valuation, opinion or report would audit the results
 - Actuarial services
 - Internal audit outsourcing services
 - Management functions or human resources functions
 - Broker-dealer, investment advisor or investment banking services
 - Legal services
 - Expert services unrelated to audits

Human Resources and Compensation Committee

The Human Resources and Compensation Committee (the HRCC) is currently comprised of three directors, each of whom is an independent director as required by the HRCC Mandate, and for the purposes of both the Corporate Governance Disclosure Rules and the Nasdaq Rules. In addition, none of the members of the HRCC is currently an executive officer of any other public company. The HRCC holds in-camera sessions without management present when appropriate.

The chair of the HRCC is Walter T. Segsworth.

The HRCC reviews and makes recommendations to the Board in respect of the overall compensation strategy, salary and benefits, and succession planning, of our executive officers. In addition, the HRCC is responsible for reviewing any agreements with executive officers that may address retirement, termination of employment or special circumstances, and for the general compensation structure, policies and our

incentive programs, as well as delivering an annual report to shareholders on executive compensation. The HRCC annually reviews and makes recommendations to the Board for approval with respect to annual and long term corporate goals and objectives relevant for determining the compensation for our CEO, and annually reviews the performance of our CEO relative to the goals and objectives established.

More details about the HRCC and its work can be found in the Executive Compensation section of this Circular.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee currently consists of three directors, one of whom, Mr. Geoffrey Burns, is an executive member of the Board. We believe that the Health, Safety and Environment Committee should have management nominees because they are in the best position to analyze any issues that arise in this area, as well as to effect and implement any desired changes or policies.

The chair of the Health, Safety and Environment Committee is David C. Press.

We recognize that proper care of the environment and the health and safety of our employees is integral to our existence, our employees, the communities in which we operate and all of our operations. Accordingly, we have directed our operating subsidiaries to conduct all operations in an environmentally ethical manner having regard to local laws, requirements and policies and to our Health and Safety Policy and Environmental Policy (the HSE Policies). Our operating subsidiaries have responsibility for compliance with the HSE Policies, including being committed to, among other things:

- Complying with the standards set by the applicable environmental laws and regulations of the countries and regions in which they operate, and additional environmental standards and practices that are voluntarily adopted by us
 - Promoting the efficient use of energy and natural resources through recovery, recycling and reuse
- Exploring, designing, constructing, operating and closing mining and processing operations by utilizing effective and proven practices that minimize adverse environmental impacts
- Educating employees regarding environmental matters and promote employee participation in minimizing environmental impacts
- Conducting regular reviews and reporting findings to management and the Board to ensure compliance with the HSE Policies
- Promoting open and transparent communication with stakeholders and other interested parties on environmental matters
- The continual improvement of our environmental performance, the prevention of pollution and the mitigation of environmental impacts through the design and implementation of sound environmental management systems
- Regularly reviewing our environmental management system to ensure that our environmental objectives and targets are being addressed
- Prominently display and promote this policy to all employees and contractors and disclose it to all of our stakeholders

The Health, Safety and Environment Committee oversees audits made of all construction, exploitation, remediation and mining activities undertaken by our operating subsidiaries, to assess consistency with the HSE Policies and industry best practices.

Nominating and Governance Committee

The Nominating and Governance Committee currently consists of two directors, each of whom is an independent director as required by the Nominating and Governance Committee Charter, and for the

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purposes of both the Corporate Governance Disclosure Rules and the Nasdaq Rules. The Nominating and Governance Committee holds in-camera sessions without management present when appropriate.

The chair of the Nominating and Governance Committee is Neil de Gelder.

The Nominating and Governance Committee:

- Oversees the effective functioning of the Board
- Oversees the relationship between the Board and our management
- Ensures that the Board can function independently of management at such times as are desirable or necessary
- Assists the Board in providing efficient and effective corporate governance for the benefit of shareholders
 - Identifies possible nominees for the Board, and reviews nominee and member qualification
 - Ensures that new directors are provided with an orientation and education program
 - Evaluates the performance of each individual director
 - Reviews our Code

The Nominating and Governance Committee also reviews and makes recommendations to the Board with respect to:

- The independence of each director
- The competencies, skills and experience that each existing director should possess
- The appropriate size and composition of the Board
- The appropriateness of the committees of the Board, their mandates and responsibilities and the allocation of directors to the committees
 - The compensation of our directors in light of time commitments, comparative fees, risks and responsibilities
 - The directorships, if any, held by our directors and officers in other corporations
 - Our corporate governance disclosure

Finance Committee

The Board has a Finance Committee which currently consists of four directors, one of whom, Mr. Geoffrey Burns, is an executive member of the Board. We believe that the Finance Committee should have management nominees because they have day-to-day knowledge of our financial matters and are in the best position to effect and implement any desired changes or policies. The purpose of the Finance Committee is to assist the Board in monitoring and reviewing our financial structure, investment policies and financial risk management programs and make recommendations to the Board in connection therewith.

The chair of the Finance Committee is Christopher Noel Dunn.

The Finance Committee's responsibilities include:

- Reviewing the policies underlying our financial plan to ensure its adequacy and soundness in providing for our operational and capital plans
 - Reviewing our debt and equity structure
 - Reviewing the establishment and maintenance of a dividend policy
 - Reviewing proposed major financing activities, including any related tax planning
 - Reviewing the method for financing any proposed major acquisitions
- Assessing policies and procedures for entering into investments and reviewing investment strategies for our cash balances
-

Reviewing our financial risk management program, including any significant commodity, currency or interest rate hedging programs

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- Making recommendations to the Board with respect to the foregoing

Summary of Attendance of Directors

The following table sets out the attendance of directors at Board meetings and meetings of the committees of the Board of which they were members during the year ended December 31, 2014:

Director	Board	Audit	Human Resources and Compensation	Nominating and Governance	Health, Safety and Environment	Finance	Total Attendance
	6 meetings	6 meetings	5 meetings	3 meetings	3 meetings	4 meetings	
Ross J. Beaty	6	-	-	-	-	4	100%
Geoffrey A. Burns	6	-	-	-	3	4	100%
Michael L. Carroll	6	6	-	-	-	4	100%
Christopher Noel Dunn	4	-	4	3	-	4	83%
Neil de Gelder	6	6	-	3	-	-	100%
Robert P. Pirooz	6	-	-	-	-	-	100%
David C. Press	6	6	5	-	3	-	100%
Walter T. Segsworth	6	-	5	-	3	-	100%

Director Compensation

We establish director compensation based on a comparison with other companies in the mining industry and in contemplation of the duties and responsibilities of our directors, both at a Board level and the committee level. Our approach to director compensation is based on offering competitive compensation to recruit and retain highly qualified individuals to serve on our Board.

Executive directors are not paid for their services as directors.

Our independent directors are paid for their services as directors through a combination of retainer and meeting fees. Independent director compensation is not performance-based and they do not participate in compensation programs established for management.

The following table details the retainer and meeting fee structure for our independent directors as at December 31, 2014.

DIRECTOR RETAINER AND MEETING FEES 2014	
Type	Amount
Annual Board Chair Retainer	\$137,500(1)
Annual Board Retainer (non-Chair)	\$110,000

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Lead Director Annual Retainer	\$10,000
Audit Committee Chair retainer	\$16,000
audit Committee Member Retainer	\$6,000
Human resources and Compensation Committee Chair Retainer	\$10,000
Health, Safety and Environment Committee Chair Retainer	\$10,000
Nominating and Governance Committee Chair Retainer	\$7,500
Finance Committee Chair Retainer	\$7,500
Board and Committee Meeting Fee (Per meeting)	\$1,000

Note:

(1) The annual Board chair retainer is paid in Canadian dollars.

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Annual Board retainer fees are paid starting on the date of the annual meeting of shareholders at which he or she is elected or re-elected as a director and ending on the date immediately prior to the date of our next annual meeting of shareholders. The independent directors receive their annual board retainer fee, net of applicable taxes, in one of the following three forms:

- Cash
- Shares
- Options to purchase Shares

If a director elects to receive options, the exercise price of such options will be equal to the weighted average trading price of our Shares on the TSX on the five trading days (on which at least one Board lot of the Shares was traded) prior to the grant date. Although the Board may determine otherwise, the options customarily vest immediately and expire ten years after the date on which they were granted.

In 2014, 5 directors elected to receive a cash payment and 1 director elected to receive Shares.

In 2014, the chairman received an annual fee of CAD\$137,500, paid in cash net of applicable taxes, plus reimbursable expenses of approximately CAD\$137,500 to cover the administrative costs of running the chairman's office.

We reimburse our directors for reasonable out-of-pocket expenses related to their attendance at meetings or other expenses incurred for corporate purposes.

The following table sets forth all amounts of compensation earned by the directors for their services to us during the 2014 calendar year, with the exception of Geoffrey A. Burns and Robert P. Pirooz, who received compensation as executives but did not receive compensation for services as directors.

Name	Fees earned (1)(6) (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ross J. Beaty(3)	137,500	-	-	-	-	137,500(4)	275,000
Geoffrey A. Burns	-	-	-	-	-	-	Nil(2)
Michael L. Carroll	158,000	-	-	-	-	-	158,000
Christopher Noel Dunn	147,500	-	-	-	-	-	147,500
Neil de Gelder	41,500	110,000(5)	-	-	-	-	151,500
Robert P. Pirooz	-	-	-	-	-	-	Nil(2)
David C. Press	164,000	-	-	-	-	-	164,000
Walter T. Segsworth	157,000	-	-	-	-	-	157,000

Notes:

- (1) Includes Board annual retainer fees, plus committee retainer fees and all meeting attendance fees.
- (2) Mr. Pirooz and Mr. Burns are executive members of the Board and therefore receive no compensation for services as directors.
- (3) Amounts for Mr. Beaty are shown in Canadian dollars.
- (4) Mr. Beaty receives reimbursement of expenses to cover the administrative costs of running the chairman's office.
- (5) Mr. de Gelder elected to take his board annual retainer by way of Shares.
- (6) Retainer fees are paid each May for services performed between the Company's annual meetings.

Director Share Ownership Requirements

In 2012, the Board approved a Share ownership requirement for its non-executive directors in order to enhance director alignment with shareholders and to improve the Company's overall director compensation practices. Directors are required to hold a minimum of 5,000 Shares on the later of December 31, 2015 or within three years of joining the board.

Directors' and Officers' Liability Insurance

We maintain Directors' and Officers' Liability insurance coverage through a primary policy and three excess layers for a 12 month period from September 30, 2014 with an aggregate limit of liability of \$40,000,000 to cover our directors and officers and our subsidiaries, individually and as a group. Included in this \$40,000,000 limit is a form of specialty Directors' and Officers' Liability coverage being a \$10,000,000 limit dedicated to the directors and officers. There is no retention applicable for non-indemnifiable loss, crisis loss, or derivative investigation costs. We would bear the first \$100,000 of any other loss, except in the cases of losses arising in connection with securities claims (a defined term) where the insured company would bear the first \$350,000 of any loss.

Executive Compensation

Compensation Discussion and Analysis

Introduction

This section provides information relating to our executive compensation program for 2014. We refer to our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and our two other most highly paid executive officers as our Named Executive Officers or NEOs. For 2014, our NEOs were:

- Geoffrey Burns, Chief Executive Officer (President and Chief Executive officer until February 18, 2015)
 - A. Robert Doyle, Chief Financial Officer
 - Steve Busby, Chief Operating Officer
- Michael Steinmann, President (Executive Vice President, Corporate Development and Geology until February 18, 2015)
 - Andres Dasso, Senior Vice President, Operations

This section also contains the following information:

- A summary of our 2014 performance
- Our compensation risk management assessment
- Compensation governance: the activities and work plan of the HRCC
- Work performed by compensation consultants
- Our compensation philosophy, objectives of compensation programs, and peer group consideration
- Components of executive compensation: 2014 performance criteria and pay decisions for our NEO's

Summary of Our 2014 Performance

In 2014, we set new production records while continuing our response to declining metals prices:

- Record silver production of 26.11 million ounces and record gold production of 161,500 ounces
 - Cash costs(1) were \$11.46 per ounce of silver, net of by-product credits
 - Mine operating earnings were \$8.1 million
 - Advanced the La Colorada expansion project
- Total dividends paid to common shareholders of \$75.8 million, representing \$0.50 per Share annually
 - Completed another year of excellent safety performance

Note:

(1) Cash costs per payable ounce of silver, net of by-product credits, is a non-GAAP measure. The Company believes that in addition to production costs, depreciation and amortization, and royalties, cash costs per ounce is a useful and complementary benchmark that investors use to evaluate the Company's performance and ability to generate cash flow and is well understood and widely reported in the silver mining industry. However, cash costs per ounce does not have a standardized meaning prescribed by IFRS as an indicator of performance. Investors are cautioned that cash costs per ounce should not be construed as an alternative to production costs, depreciation and amortization, and royalties determined in accordance with IFRS as an indicator of performance. The Company's method of calculating cash costs per ounce may differ from the methods used by other entities and, accordingly, the Company's cash costs per ounce may not be comparable to similarly titled measures used by other entities. Please refer to the Company's MD&A for the year ended December 31, 2014 under the heading

“Alternative Performance (Non-GAAP) Measures” for a complete description of these non-GAAP measures.

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Performance Graph

The following graph shows the change in value of \$100 invested in our Shares between December 31, 2010 and December 31, 2014, compared to a similar investment in the S&P TSX Composite Index, assuming reinvestment of dividends. The graph also depicts total annual compensation for our NEOs in each particular year from 2010 to 2014 for comparison purposes.

	Pan American Silver Corp. Closing Price	(CAD\$)		
		Base	S&P TSX Composite	Base
December 31, 2010	\$ 40.93	100.00	13,443	100.00
December 30, 2011	\$ 22.28	54.62(1)	11,955	88.93
December 31, 2012	\$ 18.64	46.12(1)	12,434	92.49
December 31, 2013	\$ 12.41	31.89(1)	13,622	101.33
December 31, 2014	\$ 10.72	28.57(1)	14,632	108.84

Note:

(1) Assuming reinvestment of dividends. (1)

The relationship between total compensation of our Named Executive Officers and our performance is graphically depicted above. Although the total annual compensation of our Named Executive Officers does not directly correlate to our cumulative total shareholder return over the five most recently completed financial years, our executive compensation program has reflected significant factors affecting our performance and the mining sector during the period.

The Company has a stock transactions policy, which restricts its employees and their families and other associates in trading or pledging securities. Additionally, key employees who participate in the Stock Option Plan, including executive officers and directors, are restricted from derivative trading and automatic buy or sell orders, and must report any purchase or sale of a Pan American security to the Corporate Secretary of Pan American within four business days.

Compensation Risk Management

Among other things, in designing compensation programs, setting objectives, and making incentive awards, the Board and the HRCC carefully consider potential risks. During 2014, the HRCC conducted a risk assessment to evaluate the potential risks associated with compensation programs as they relate to short term and long term decision-making by our executives and identified a number of relevant business risks including:

- Resource estimation and reserve determination
- Achievement of annual production and cost targets in balance with long-term development requirements at our operations
- Achieving safety results and meeting environmental requirements

The risk analysis also included a review of the pay mix across incentive plans, plan metrics, plan funding, award time horizons, historical and future payout scenarios, and control features.

As a result of the review, neither the HRCC nor the Board identified any compensation practices that are reasonably likely to have a material adverse effect on us. The design of compensation programs and Board oversight provide a number of controls to mitigate compensation risks, including the following:

- Appropriate balance of metrics and weightings: Short-term incentive program objectives include a balance of growth, safety, and operating performance and are approved by the HRCC, providing a balanced focus on our immediate requirements without sacrificing the growth required to sustain our business. Base salaries are market competitive, thus reducing the over-reliance on variable compensation.
- Capping of maximum payouts: The short-term incentive program is capped at 200% of target, thus limiting windfall payouts.
- Mix of short and long-term incentives: Incentive awards include a mix of annual and long-term awards which vest over time. Furthermore, the HRCC feels that stock ownership requirements and the current level of stock ownership encourage the executives to consider long-term performance and multi-year goals in their decision-making.
- Funding of incentive programs: The short-term incentive program is funded with current cash. The long-term incentive program is funded with current cash or by the issuance of Shares and options. Both the short and long-term incentive programs may be changed, amended or suspended at any time at the Board's sole discretion. Our Stock Option Plan currently limits the number of Compensation Shares that may be issued on an annual basis to 200,000.
- Control features/plan governance: Goals and metrics for 2014 were reviewed by the HRCC and approved by the Board. Final award payout levels and cash incentives to key executives for 2014 were reviewed by the HRCC and approved by the Board, either of which may have exercised their discretion to alter the award amounts.
- Time horizon of payments or realization of value: Short-term incentive awards for 2014 were made in February of 2015, following the performance year. The 2014 long-term incentive program option awards vest over two years and have a life of seven years, the RSU awards vest over two years, the performance share units cliff vest in three years, while Compensation Shares issued to employees have a two year hold period during which they cannot be traded. The recipients of these awards realize an increase or decrease in value based on Share price.
- Share ownership policies: Senior executives are subject to and are in compliance with a share ownership policy which aligns their interests with those of shareholders. The share ownership policy is described below.
- Restrictions on hedging and derivative trading: Company's executives are prohibited from engaging in hedging or derivative trading with our securities.
- Clawback provision: Both the short and long-term incentive plans include a clawback provision. If an executive is determined to be responsible for fraud or misconduct in providing financial or other results in an incentive program,

the Board may recoup the entire amount of incentive compensation from the executive.

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The HRCC has incorporated an annual compensation risk review into its work plan, reports its findings to the Board on an annual basis, and takes appropriate action to reduce compensation risks when deemed necessary.

Compensation Governance

Composition of the Human Resources and Compensation Committee

As discussed under the section of this Circular titled Board Committees, the purpose of the HRCC is to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues. In addition, the HRCC reviews, approves and oversees the administration of our share compensation plans.

The HRCC is composed of three independent directors who possess the relevant knowledge and experience to serve on the HRCC and ensure completion of the committee's mandate.

Mr. Walter Segsworth is currently the chair of the HRCC and has served in this capacity since May 2010. Mr. Segsworth holds a Bachelor of Science in Mining Engineering from Michigan Tech and has over 43 years of experience in mining in Canada and overseas. Mr. Segsworth has served as an executive of several mining companies including Westmin Resources, where he was President and CEO, and Homestake Mining Company, where he was President and COO. He currently serves as a director and is a member of the compensation committees for Gabriel Resources Ltd., Roxgold Inc. and Taung Gold International Inc. Mr. Segsworth is past chairman of both the Mining Associations of British Columbia and Canada and was named British Columbia's Mining Person of the year in 1996. His ongoing leadership and executive experience complement his understanding of compensation matters, performance management, and the human resources challenges in the mining industry.

Mr. David Press has served on the HRCC since 2008. Mr. Press is a mining engineer with almost 40 years of diversified experience in the mining industry. He has worked in underground and open pit mines across Canada as well as in the United States and Australia. While with Homestake Mining Company, he held the position of Director, Mine Engineering and Development. In that capacity he provided technical support to all Homestake operations as well as leading the evaluation and investigation efforts for potential acquisitions on a world-wide basis. Mr. Press graduated from Nottingham University with an honours degree in mining engineering in 1967. His executive experience and service with the HRCC provide him with a solid background in executive and Board compensation matters.

Mr. Christopher Dunn has served on the HRCC since 2011. Mr. Dunn has over 25 years' experience in the investment banking industry, having worked as a Managing Director in London for Goldman Sachs, as well as having been a Senior Managing Director and Head of Global Mining and Metals for Bear Stearns. He is currently the Managing Partner of Ero Resource Partners LLC which is focused on private equity investments in natural resources. Mr. Dunn's experience and background provide the required skills and knowledge to oversee compensation and human resource matters.

Role and Activities of the HRCC

In addition to a number of other human resources duties contained in the current mandate, the HRCC performs the following activities, through review and consultation with management, in relation to executive compensation:

- Reviews the overall compensation philosophy, strategy and policies for our officers and employees
- Administers our Stock Option Plan and determines its use, from time to time, as a form of compensation for our senior management and employees
-

Reviews incentive compensation program payments, including the annual incentive plan and long-term incentive plan

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- Reviews special compensation, recruiting, and retention programs to address unique circumstances, as and when needed
- Sets performance goals with the CEO, and reviews the performance of the CEO and other executive officers on an annual basis

The HRCC meets at least three times per year, and holds in camera sessions, without the presence of management, as needed.

Activities of the HRCC in 2014

The HRCC met 5 times in 2014 and, among other things, completed the following activities under its mandate:

- Reviewed our human resources strategy
- Reviewed performance of the CEO and other executive officers
- Performed a review of total compensation for the CEO and other executive officers, adjusting pay mix and adding targets for performance share units
 - Reviewed and recommended senior executive appointments
 - Reviewed and recommended employment agreements
 - Reviewed our compensation philosophy
- Reviewed and recommended the long-term incentive plan grants, annual incentive plan payments, and long-term contribution plan payments
- Reviewed change of control provisions in executive employment agreements for the use of double trigger and best practices
 - Reviewed executive officer Share ownership compliance
 - Conducted a compensation risk review
 - Reviewed and updated the HRCC mandate
- Reviewed compensation consultant work relationships to ensure independence

Management Role in Compensation Decision-Making

Management participates in the compensation decision-making process as follows:

- The CEO and the VP of Human Resources regularly participate in HRCC meetings, presenting relevant materials to facilitate HRCC decision-making
- The CEO recommends performance metrics, performance results, and final award levels for the annual incentive program and long-term incentive plan for HRCC and Board consideration
- Through the CEO and VP of Human Resources, management provides its experiences as to the effectiveness of compensation programs to attract, retain, and reward qualified personnel to oversee our operations
- Management oversees compensation matters in each office and subsidiary company, within the approved operating budgets and within the parameters of our compensation philosophy

From time to time, other members of the management team are invited to present or participate in meetings. Management acts in an advisory and informational capacity only and the HRCC maintains strict independence from management. The Board is ultimately responsible for executive compensation matters.

Use of Compensation Consultants and their Affiliates

The HRCC engaged the services of one compensation consultant during 2014:

- Mercer (Canada) Limited (Mercer), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (MMC), has been used since 2010 to assist the HRCC in determining the compensation for our executive officers

The Company retained Marsh Canada Inc., a separate independent operating company owned by MMC, to provide insurance and brokerage services which were unrelated to executive compensation.

A summary of the fees paid to our compensation consultant and its affiliates for 2013 and 2014 is outlined in the table below:

Name of Consultant	Executive Compensation-Related Fees (CAD\$)		All Other Fees (CAD\$)	
	Amount invoiced in 2014	Amount invoiced in 2013	Amount invoiced in 2014	Amount invoiced in 2013
Mercer	57,047	51,963	Nil	Nil
Marsh Canada Inc.	Nil	Nil	232,575	244,431

Compensation Consultants Retention and Independence

Since December 2010, the HRCC has directly engaged Mercer to ensure independent compensation advice and the relationship continued in 2014. Under the consulting agreement, the following considerations apply:

- The HRCC chair approves all work plans
- Consultants work with management as needed to complete work assignments, but work products are delivered directly to the HRCC chair, with distribution to management if required
 - Additional consulting services are pre-approved by the HRCC

While the HRCC may use compensation consultants to provide additional information and advice in respect of its decision-making, the HRCC makes its determinations independently based on its own experience, analysis and assessments and weighs a broad range of considerations, including current business requirements.

Because of the policies and procedures that Mercer and the HRCC have established, the HRCC is confident that the advice it receives from the individual compensation consultant assigned to us by Mercer is objective and not influenced by Mercer's or its affiliates' relationship with us. These policies and procedures include:

- The consultant receives no incentive or other compensation based on the fees charged to us for other services provided by Mercer or any of its affiliates
 - The consultant is not responsible for selling other Mercer or affiliate services to us
- Mercers' professional standards prohibit the individual consultant from considering other relationships that Mercer or any of its affiliates may have with us in rendering his or her advice and recommendations

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- The HRCC has the sole authority to retain and terminate the executive compensation consultant
 - The consultant has direct access to the HRCC without management intervention
- The HRCC evaluates the quality and objectivity of the services provided by the consultant each year and determines whether to continue to retain the consultant
- The protocols set out in the engagement letter with Mercer limit how the consultant may interact with management and govern when and if the consultant's advice and recommendations can be shared with management

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Executive Compensation Decision Making Process

The decision making process related to executive compensation is summarized as follows:

Executive Compensation Philosophy

Our compensation structure is designed to be competitive with the compensation arrangements of other Canadian mining companies with international operations of similar size and scope, to reward the achievement of defined individual and corporate goals, and to align the interests of the executive with shareholders by rewarding performance that is likely to increase shareholder value.

Each executive officer's position is evaluated to establish skill requirements and level of responsibility, which provides a basis for internal and external comparisons of positions. In addition to industry comparables, the Board and the HRCC consider a variety of factors when determining both compensation policies and programs, and individual compensation levels. These factors include:

- Our long-term interests and the long-term interests of our shareholders
- Our overall financial and operating performance
- Recommendations made by independent compensation consultants retained by the HRCC
- The Board's and the HRCC's assessment of each executive's individual performance and contribution towards meeting corporate objectives

We believe shareholder value is primarily driven by results, both in terms of financial strength and operating measures such as production and mineral reserve and resource growth. As such, individual and Company performance goals are based on these and other results through the setting of short and long-term performance objectives. These objectives include, for example, increased safety, mineral reserve and resource growth, project advancement, targets for production and cost reduction. These objectives are tied directly to our annual budget and long-term plan, which are approved by the Board. Executives' performance is also evaluated against expectations for fulfilling their individual responsibilities and goals within their particular employment function and area of expertise, and therefore is a reflection of their contribution to our success and towards meeting our objectives. As described in more detail below, executive compensation is in many respects dependent on achieving these individual and Company performance results and is, therefore, also linked to the creation of shareholder value.

The HRCC's objective in considering compensation is to ensure that compensation reflects performance and is fair and reasonable, but that it is also sufficient to attract and retain qualified and experienced executives.

When considering compensation versus our peers, our compensation goal is to understand and define our target base salaries, target total cash, and target total compensation package compared to a peer

group of similar companies in the mining industry. We also consider the actual total cash and actual total compensation of the peer group.

Based on the compensation studies provided by our independent consultant, the HRCC determines compensation ranges for each NEO in order to attract and retain key talent during an unprecedented shortage of experienced and qualified executives in the mining industry. The HRCC also considers the following factors when considering target compensation for each NEO:

- The business impact, costs, and time for recruiting a replacement
 - Our current talent pool in the Company
- Impact and loss of continuity that may arise from vacancies in key leadership positions
- The high cost of living in Vancouver, British Columbia, where we are headquartered

The Company has traditionally positioned base salaries and target annual and long-term incentive awards at or below the median of its competitive market, but has also provided its executives with the opportunity to earn higher actual total compensation based on superior performance.

When reviewing the compensation for the NEOs in 2014, the HRCC considered our peer group (as described below under the heading “Use of Peer Groups”). The 25th, 50th, 60th, and 75th percentiles were defined by Mercer in their compensation study. Overall, based on the Mercer study, the Company’s target total direct compensation levels for the NEOs is well below the 50th percentile and actual total direct compensation is at or below the 50th percentile. The CEO compensation is below the 25th percentile on both target and actual total direct compensation.

Realizable Pay

To illustrate pay for performance and alignment with long-term shareholder value creation, the concept of realizable pay is presented. The realizable value of the Company’s long-term incentive payment vehicles (options, restricted shares and RSUs) increases with Share price appreciation and decrease as the Share price decreases. The tables below illustrate the concept of realizable pay for the CEO over the last three financial years, and reflect the target and realizable value for each of the compensation elements. The target pay considers the target short-term and long-term incentive award levels, while the realizable pay considers the actual short-term incentive awarded and the value of the long-term incentive awards at the closing Share price at December 31, 2014, assuming awards were vested.

CEO Target Pay (CAD\$)						
Year	Salary	Bonus	Stock(1)	Options(1)	Other	Total Pay
2014	\$700,000	\$385,000	\$804,996	\$0	\$220,000	\$2,109,996
2013	\$700,000	\$385,000	\$341,250	\$113,750	\$220,000	\$1,760,000
2012	\$621,000	\$341,550	\$403,651	\$0	\$204,350	\$1,570,551
Total 3-Year Target Pay:						\$5,440,548

CEO Realizable Pay (CAD\$)						
Year	Salary	Bonus	Stock(2)	Options(2)	Other(3)	Total Pay
2014	\$700,000	\$525,000	\$757,327	\$0	\$177,559	\$2,159,887
2013	\$700,000	\$490,875	\$324,482	\$0	\$192,884	\$1,708,241
2012	\$621,000	\$409,860	\$284,558	\$0	\$164,188	\$1,479,605
Total 3-Year Target Pay:						\$5,347,733

Notes:

- (1) Assumed 50 / 50 split of Stock Options and RSUs / Shares
- (2) Intrinsic value of all equity uses the December 31, 2014 closing stock price of \$10.72 CAD, adjusted for election of options and Shares
- (3) For the CEO, intrinsic value of Shares, at December 31, 2014, that were purchased using after-tax retention award

Since awards under the long-term incentive plan are made in restricted shares, options and RSUs, the value of long-term awards varies prior to vesting, and the final payouts realized are directly tied to Share price appreciation. These incentive plan awards may enjoy a higher potential payout in years where shareholders realize more value, but also align the CEO with shareholders when the Share price does not appreciate. Unlike shareholders, the CEO and other NEOs are also restricted from exercising stock options or from trading Shares during blackout periods or no trade periods and are subject to minimum Share ownership, which further aligns their realizable pay with long-term shareholder interests.

Our compensation practices are regularly monitored by the HRCC and modified as required to ensure we maintain our competitiveness and that we appropriately recognize growth and change within the organization.

Use of Peer Groups

The HRCC uses a number of data sources for executive compensation reviews. These sources include compensation consultants, published compensation studies, and other market data. In addition to sources described above, the HRCC has identified peer groups for salary comparisons. Currently there are only a handful of publically traded, operating, primary silver mining companies. This group is so limited that it is challenging to make appropriate comparisons of growth, operating performance, and other financial metrics. As a result, we have supplemented our primary peer group with other peers that we consider appropriate for benchmarking executive compensation. Our peer group was selected based on the following criteria:

- Companies that operate in the same labour, industry, and capital markets
- Companies that are at a similar stage of development and operate producing mines with comparable complexities
 - Companies with multiple operating locations in different jurisdictions
 - Company size, based on a range from 1/2 to 2 times that of our revenues
 - Consideration was given to market capitalization

During 2014, the peer group of companies selected was the following:

Primary Peers	Other Peers
Agnico-Eagle Mines Limited	Alamos Gold
AuRico Gold Inc.	B2Gold Corp.
Centerra Gold Inc.	Hochschild Mining PLC
Coeur Mining	Franco-Nevada Corp
Eldorado Gold Corp.	Fresnillo PLC
Hecla Mining Company	Silver Wheaton Corp.
IAMGOLD Corporation	Tahoe Resources Inc.
New Gold Inc.	
Silver Standard Resources Inc.	

The following illustrates Pan American's scope and size relative to the peer group:

	Revenues	Market Capitalization
Primary Peers	Slightly above 50th percentile	Between 50th and 75th percentile
Full Peer Group	Slightly above 50th percentile	Slightly above 50th percentile

Using this above peer group, Mercer provided a compensation study for the NEOs in 2014. Based on this study and market data, the HRCC reviews and, if appropriate, adjusts base salaries, short-term incentive targets and long-term incentive targets. The HRCC then makes recommendations for changes to executive compensation to the Board.

Components of Executive Compensation

In 2014, executive officer total compensation is composed of five main components: base salary, a cash-based short-term annual incentive program (the AIP), a long-term incentive plan (the LTIP), a key employee long term contribution plan (the Retention Plan) and extended group benefits. Final payments under the Retention Plan were made in 2014, and the plan will not be continued or extended in 2015. The following table sets out the main components of compensation for our executives and summarizes their key features:

Element	Objective	Key features
Base Salary	· Provide a fixed level of cash compensation for performing day-to-day responsibilities	· Set in the first quarter of each year for the 12-month period of January to December, and reviewed as required

- AIP
- Focuses executives on achieving annual operating plan and budget and other short-term objectives
 - Annual incentive plan based on corporate goals and objectives

Element	Objective	Key features
LTIP	<ul style="list-style-type: none"> Focuses executives on long-term shareholder value, and aligns management's interests with those of shareholders 	<ul style="list-style-type: none"> A minimum of 25% must be provided as RSUs which vest over two years and whose payout value is aligned with Share price performance Stock options that vest over two years with a seven-year expiration period Restricted stock awards with a two-year "no trading" restriction Performance share units which cliff vest over three years and whose cash payout value is aligned with share price performance and relative total shareholder return
Retention Plan	<ul style="list-style-type: none"> Retain critical management and skill sets during unprecedented labour shortages in the mining industry 	<ul style="list-style-type: none"> Two equal payments over two years, paid in cash Employee must be with the Company at time of payment and all amounts paid are repayable if employee leaves the Company within six months from the date of any payment Final payments under the plan were made in 2014 and the plan will not be continued or extended in 2015
Benefits	<ul style="list-style-type: none"> Attract and retain highly qualified executives 	<ul style="list-style-type: none"> Health, vision, and dental insurance, life insurance, and accidental death and dismemberment insurance

Base Salary

Base salaries are provided to executives as part of the overall compensation package. Base salaries are designed to attract and retain experienced executives in a highly competitive market. Base salaries are determined following a review of market data for similar positions in mining companies with international operations of comparable size and scope. The salary for each executive officer's position is then determined having regard for the incumbent's responsibilities, our financial capacity, potential for advancement, and the assessment of the Board and the HRCC of such other matters as are presented by management, including industry comparable base salaries for similar positions.

The HRCC reviewed salaries a number of times in 2014 based on market analysis prepared by Mercer. The HRCC determined that an inflationary increase and some market increases were necessary in order to maintain competitive base salaries.

The table below shows the base salaries of our Named Executive Officers.

Executive	Base Salary 2013(1) (CAD\$)	Base Salary 2014(2) (CAD\$)	Percentage change
Geoffrey A. Burns	\$700,000	\$700,000	0.00%

Chief Executive
Officer

A. Robert Doyle Chief Financial Officer	\$390,000	\$415,000	6.41%
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Steven L. Busby Chief Operating Officer	\$546,500	\$546,500	0.00%
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Michael Steinmann President	\$448,500	\$448,500	0.00%
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Executive	Base Salary 2013(1) (CAD\$)	Base Salary 2014(2) (CAD\$)	Percentage change
Andres Dasso Senior Vice President, Operations	\$435,500	\$435,500	0.00%

Notes:

- (1) As of December 31, 2013.
(2) As of December 31, 2014.

Annual Incentive Plan (the AIP)

The second component of our executive compensation is an annual cash bonus earned under the guidelines of our AIP. For all NEOs except the CEO and SVP Operations, AIP payments are determined on the basis of Company and individual performance with 75% of the AIP payment based on our Company performance and 25% based on individual performance. The CEO's AIP payment is based 100% on Company performance, while the SVP Operations' AIP is based 50% on Company performance. The ratio may be adjusted periodically by the HRCC, depending on the level of Company, departmental or individual focus desired for future years.

An example of the AIP calculation formula is as follows:

$$\begin{aligned} \text{Company Incentive Pay} &= (\text{Total Target Pay}) \times (\text{Company performance}) \times 75\% \\ \text{Individual Incentive Pay} &= (\text{Total Target Pay}) \times (\text{Individual performance}) \times 25\% \\ \text{Total Incentive Pay} &= \text{Company Incentive Pay} + \text{Individual Incentive Pay} \end{aligned}$$

The AIP Target Pay ranges from 45% to 50% of base salary for our NEOs, other than the CEO whose AIP Target Pay is 55% of base salary.

Both the individual and Company performance components are compared to a set of annual objectives that have been pre-determined and, in the case of Company performance, approved by the Board.

Company performance objectives include targets for safety, mineral reserve and resource growth, project advancement, silver production, and operating cost and are tied directly to our annual budget, which is also approved by the Board.

Individual performance is based on weighted goals established within each individual's primary area of responsibility and a substantial portion of each individual's objectives are linked to supporting the achievement of Company performance objectives. Company and individual performance are then determined by evaluating the level of achievement of the pre-determined targets on a 0% - 200% basis. Payouts under the program are capped at 200% of target.

The table below shows AIP targets for our NEOs, as well as notional minimum and maximum payouts.

Executive	Base Salary(1) (CAD\$)	Target of base salary	Minimum (0%) (CAD\$)	Maximum (200%) (CAD\$)
	\$700,000	55%	\$0	\$770,000

Geoffrey A.
Burns

Chief Executive
Officer

A. Robert Doyle	\$415,000	45%	\$0	\$373,500
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Chief Financial
Officer

Steven L. Busby	\$546,500	50%	\$0	\$546,500
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Chief Operating
Officer

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Executive	Base Salary(1) (CAD\$)	Target of base salary	Minimum (0%) (CAD\$)	Maximum (200%) (CAD\$)
Michael Steinmann President	\$448,500	50%	\$0	\$448,500
Andres Dasso Senior Vice President, Operations	\$435,500	45%	\$0	\$391,950

Note:

(1) Base salary as of December 31, 2014.

The table below shows AIP targets and weightings for our NEOs.

Executive	AIP Target (% of Base Salary)	Weighting on Corporate Performance	Weighting on Individual Performance
Geoffrey A. Burns Chief Executive Officer	55%	100%	0%
A. Robert Doyle Chief Financial Officer	45%	75%	25%
Steven L. Busby Chief Operating Officer	50%	75%	25%
Michael Steinmann President	50%	75%	25%
Andres Dasso Senior Vice President, Operations	45%	50%	50%

For 2014, our corporate performance rating against pre-established annual objectives was 137.5%, and is described in further detail below. AIP awards are paid in the year following the year in which the recipient's performance is assessed. AIP awards were paid in February, 2015 with respect to performance in 2014.

The HRCC recognizes that situations may arise in which unforeseen circumstances may cause formulaic compensation decisions to be inappropriate. In these circumstances, the formulas may lead to unwanted results that do not accurately reflect real performance and the Board will ultimately determine final compensation within the context of the objectives and current business environment. Under the AIP, the HRCC and Board may exercise its discretion in response to special circumstances by, among other things:

- Suspending or modifying the AIP
- Deferring, reducing, or cancelling all or part of the AIP payment due, for business reasons

- Limiting the corporate portion of the AIP payment to 75% of target in the event of a significant environmental or safety incident, as defined by the Health, Safety, and Environmental Committee
- Recognizing extraordinary achievement or special circumstances by increasing the overall performance by up to 25%

For example, the Board elected not to pay the 2008 AIP due to metal price and market conditions notwithstanding that Company and individual performance could have justified an AIP payment.

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Company Performance Objectives – 2014

Performance Category	Metrics	Weighting	Result	Weighted Performance
Safety	<ul style="list-style-type: none"> · Maintain a lost-time injury frequency (LTIF) of 1.7 or better · Maintain a lost-time injury severity (LTIS) of 800 or better · Eliminate fatalities · Achieve “zero” significant environmental incidents(2) 	25% 10%	<ul style="list-style-type: none"> · LTIF was 1.14 · LTIS was 357 · Fatality objective not met · Zero significant environmental incidents 	40% 20%
Reserve Replacement	<ul style="list-style-type: none"> · Replace 65% mined reserves by finding 22.4 million contained ounces of silver through exploration programs 	10%	<ul style="list-style-type: none"> · Goal not met 	0%
Growth	<ul style="list-style-type: none"> · Acquire one asset or begin an internal expansion of a PAA asset, which has a high probability of delivering significant additional production before the end of 2016 at an acceptable rate of return, excluding La Colorada expansion. (5%) · Progress the La Colorada expansion project during 2014 by awarding contract for shaft construction, completing shaft engineering, completing critical underground development, and identifying/procuring long-lead equipment. (10%) 	15%	<ul style="list-style-type: none"> · Acquisition and expansion goal not met. · Completed underground development in 2014. Commenced drift development towards Estrella on schedule. Selected shaft construction contractor and commenced detail engineering by year-end. Advanced sulphide plant engineering, procurement and fabrication 6 months in advance of capital appropriation request (CAR) schedule. Commenced pilot hole for shaft raise bore hole in December 2014. Remained on schedule and within CAR expenditures 	15%

budget in 2014

Operating Performance(1)	· Deliver on silver production (25.75M ounces), cash cost guidance (\$12.70 per ounce), and spend less than 95.5M on sustaining capital.	45%	· 2014 silver production was 26.11M ounces, and record gold production of 161.5k ounces · 2014 cash costs were \$11.46 per ounce of silver · Sustaining capital expenditures were \$99.1M	62.5%
Discretionary Component		Up to 25%	· Not awarded	0%
Total:		105%		137.5%

Note:

(1) Cash costs per ounce are non-GAAP measures. Please see note on page 25.

Detailed Summary of 2014 Performance

A breakdown of the performance in each performance category is set out below.

Safety

Safety is a top priority for us and safety objectives are set each year. For 2014, safety objectives and performance factors were set at the following:

Factor	.5	1.0	1.5	2.0
· Maintain an LTIF of 1.7 or better (10%)	1.8	1.7	1.6	1.5
· Maintain an LTIS of 800 or better (10%)	1,000	800	700	600
· Eliminate fatalities (5%)	Fatal accident	Fatal accident	Fatal accident	No fatalities
· Achieve excellence in environmental management as measured by significant environmental incidents (10%)	3 SEIs	2 SEIs	1 SEI	No SEIs

Safety efforts continued to evolve at all operations. Final safety results were the following:

- We maintained a lost-time injury frequency (LTIF) of 1.14, achieving a performance rating of 20% against a target of 10%. We maintained a lost-time injury severity (LTIS) of 357, achieving a performance rating of 20% against a target of 10%
- Despite the Company maintaining excellent safety statistics, we did have one fatality in 2014, thus achieving a performance rating of 0% against a target of 5%
- During the year, we had no significant environmental incidents, achieving a performance rating of 20% against a target of 10%.

LTIF is calculated as follows: (number of accidents x 1,000,000 hours) / (total hours worked). LTIS is calculated as follows: (number of work days lost x 1,000,000 hours) / (total hours worked).

Reserve Replacement

For 2014, the reserve replacement objectives and performance factors were set at the following:

Factor	.5	1.0	1.5	2.0
· Replace 65% mined reserves by finding 22.4M contained ounces through exploration programs (10%)	Replace 50%	Replace 65%	Replace 80%	Full replacement of 2014 production

Since the minimum 50% reserve replacement threshold was not reached, the performance factor was “0”, yielding no award for reserve replacement.

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Project Development

For 2014, project development goals and performance factors were set at the following:

Factor	.5	1.0	1.5	2.0
· Acquire one asset or begin an internal expansion of a PAA asset, which has a high probability of delivering significant additional production before the end of 2016 at an acceptable rate of return. (5%)	1 million oz. Ag	2.5 million oz. Ag	3.0 million oz. Ag	3.5 million oz. Ag
· Progress the La Colorada expansion project during 2014 by awarding contract for shaft construction, completing shaft engineering, completing critical UG development, and identifying/procuring long-lead equipment. (10%)	Complete 90% of budgeted underground development meters	Complete 2014 objectives (complete underground development meters and substantially advance shaft engineering)	Significantly accelerate schedule within approved CAR expenditures	Initiate shaft pilot hole or 1st round sinking before year-end

No acquisitions were completed during the year nor did we begin additional expansion projects, so the performance factor was "0," yielding an award of 0%.

For the La Colorada expansion, we completed underground development in 2014, and commenced drift development towards Estrella on schedule. The shaft construction contractor was selected and we commenced detail engineering by year-end. Sulphide plant engineering, procurement, and fabrication were advanced 6 months ahead of CAR schedule. Furthermore, we commenced the pilot hole for shaft raise bore hole in December 2014, while remaining on schedule and within CAR expenditures budget in 2014. With these achievements at the project, we scored a performance factor of 1.5, yielding an award of 15% on this objective.

Production and Costs

For 2014, production and cost goals and performance factors were set at the following:

Factor	.5	1.0	1.5	2.0
· Deliver on silver production (20%)	25.25M oz Ag	Low Guidance of 25.75M ounces	26.25M ounces	High guidance of 26.75M ounces

· Deliver on cash cost (1) guidance (20%)	<\$13.20	<\$12.70	<\$12.20	<\$11.70
· Control sustaining capital expenditures (5%)	Spend less than \$100.5M	Spend less than the budgeted \$99.5M	Spend less than \$90.5M	Spend less than \$85.5M

Note:

(1) Cash costs per ounce are non-GAAP measures. Please see note on page 25.

With the combined record silver production of approximately 26.11 million ounces, and record gold production of 161,500 ounces, we scored a performance rating of 1.0, yielding an award of 20% versus a target of 20% on this objective. Consolidated cash costs were \$11.46 per ounce of silver which far exceeded the goal of \$12.70 per ounce. Thus resulting in a performance rating of 2.0, or a total award of

40% versus a target of 20% with respect to the cash cost objective. For sustaining capital, we spent \$99.1M, for a performance rating of 0.5 and an award amount of 2.5% versus a target of 5%.

2014 AIP Awards

The table below summarizes the awards granted to NEOs under the 2014 AIP, as a percentage of overall target achieved (combined corporate and individual) and total award:

Executive	2014 Base Salary (CAD\$)	Award Percentage of Target	Total award (CAD\$)
Geoffrey A. Burns Chief Executive Officer	\$700,000	137.50%	\$529,375
A. Robert Doyle Chief Financial Officer	\$415,000	133.10%	\$248,611
Steven L. Busby Chief Operating Officer	\$546,500	133.60%	\$365,130
Michael Steinmann President	\$448,500	133.40%	\$299,093
Andres Dasso Senior Vice President, Operations	\$435,500	136.30%	\$267,016

Note:

(1) Annual Incentive Plan awards are paid in the calendar year following the year in which the employee's performance is assessed. For example, the Annual Incentive Plan award referenced for 2014 was paid in February 2015.

Long-Term Incentive Plan (the LTIP)

The third component of executive compensation is the granting of RSUs, stock options, and issuance of Compensation Shares pursuant to the Company's LTIP guidelines. In early 2014, the Board approved the addition of PSUs to the Company's LTIP, with grants to be considered in late 2014. The Board, subject to any necessary approvals by regulatory authorities, may grant stock options and Compensation Shares on an annual basis to senior managers and officers pursuant to our Stock Option Plan as set out on page 44. We believe that the mix of RSUs, stock options, and Compensation Shares, along with the newly approved PSUs, provides the best vehicle to help attract and retain employees by providing them with an opportunity to participate in our future success and to align the interests of our employees with our interests and the interests of our shareholders. The LTIP was initially approved by the Board on December 9, 2005 and was amended in 2008, 2010 and 2012. The LTIP was further amended in early 2014 to add PSUs.

The terms of the LTIP were developed to provide guidelines to the Board regarding the grant of stock options and Compensation Shares under our Stock Option Plan to those holding senior management positions with us. Awards in connection with LTIP guidelines are limited to key management positions that have responsibility for influencing our policy, strategy and the long-term performance. No options, Shares or other securities are issued directly under the LTIP.

The LTIP was designed to create a sense of ownership by our key employees and to link the compensation of such employees with our performance. It provides guidelines for calculating an incentive target award for each of our eligible employees related directly to each employee's position, long-term potential, and long-term contributions to us. Targets are based on an employee's base salary and are dependent on an employee's responsibilities and contribution with regard to our long-term performance.

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The formula for the LTIP calculation is as follows:

Base Salary x Target %

LTIP targets range from 55% to 60% of base salary for our NEO's, other than the Chief Executive Officer whose target is 115% of base salary. The following table summarizes the target percentages and amounts for each NEO:

Executive	Base Salary (CAD\$)	Target Percentage (CAD\$)	Target Amount (CAD\$)
Geoffrey A. Burns Chief Executive Officer	\$700,000	115%	\$805,000(1)
A. Robert Doyle Chief Financial Officer	\$415,000	55%	\$228,250
Steven L. Busby Chief Operating Officer	\$546,500	60%	\$327,900
Michael Steinmann President	\$448,500	60%	\$269,100
Andres Dasso Senior Vice President, Operations	\$435,500	55%	\$239,525

Note:

(1) Includes PSUs. In early 2014, the PSU target for the CEO was 50% of base salary.

For NEO