

**POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION  
FOR ANNUAL INCENTIVE COMPENSATION OF  
SILVERCORP METALS INC.**

Effective as of September 14, 2019

This policy on recoupment of incentive compensation (this "**Clawback Policy**") authorizes the Board of Directors of Silvercorp Metals Inc. (the "**Company**") to recover from Eligible Participants (as such term is defined under the Company's Share Based Compensation Plan) compensation paid under the "Annual Incentive Compensation" (as defined below) in instances where a "Recalculation" (as defined below) would be reported. The principal guidelines of this Clawback Policy are set forth below.

**Recalculation Guidelines**

For the purpose of this Clawback Policy, the occurrence of the following shall be deemed an event that would require a recalculation (a "**Recalculation**"):

- i. the amount of the Annual Incentive Compensation received by the Eligible Participant was calculated based on, or contingent on, achieving (a) certain financial results that are subsequently the subject of or affected by a restatement of all or a portion of the Company's financial statements, (b) production results which are subsequently determined to be misstated, or (c) reported reserves or resources which are subsequently determined to be overstated;
- ii. the Eligible Participant was involved in gross negligence, intentional misconduct or fraud that caused or partially resulted in such recalculation, misstatement or overstatement; and
- iii. the Annual Incentive Compensation payment received would have been lower had the financial results, production results or reserves and resources been properly reported.

In addition, the Board may determine whether any other facts, circumstances or legal obligations make it appropriate for the Board to consider, in the exercise of its fiduciary obligations to the Company and its shareholders, that a recoupment of Annual Incentive Compensation is necessary. "Annual Incentive Compensation" means all awards under security-based compensation arrangements of the Company, including, for greater certainty, options, restricted share units and deferred share units of the Company.

**Recovery Process and Manner of Repayment**

The Board of Directors shall determine the amount, if any, of the difference between the Annual Incentive Compensation received and the actual compensation payable based on the Recalculation. In determining the amount of recoupment the Board shall take into consideration in good faith an estimate of the value of any tax deduction available to the applicable Eligible Participant or such other tax efficiencies resulting from recoupment in order to make a fair and equitable recovery on behalf of the Company.

Upon the occurrence of a Recalculation, before the Board determines to seek recovery pursuant to this Clawback Policy and recommendations of the Compensation Committee, the Board shall

provide to the applicable Eligible Participant written notice and the opportunity to be heard, at a meeting of the Board of Directors (which may take place either in person or by way of a conference call, as determined by the Board).

In the event the Board of Directors determines to seek a recovery pursuant to this Clawback Policy, it shall make a written demand for repayment from the Eligible Participant, should the Eligible Participant not, within a reasonable period, tender repayment in response to such demand, the Board would then determine that he or she is unlikely to do so, and therefore seek proper legal recourses against the Eligible Participant in reach of such repayment.

**Review**

The Compensation Committee shall review annually this Clawback Policy and recommend appropriate changes to the Board of Directors of the Company.

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Adopted by the Board of Directors of Silvercorp Metals Inc. on September 14, 2019.