

FIRST MAJESTIC SILVER CORP.
(the "Company")

TERMS OF REFERENCE FOR THE CHAIR OF THE BOARD

INTRODUCTION

The Board of Directors has ultimate accountability for the management of the Company. The Chair plays a critical role on the Board, leading the Board in its management and supervision of the business and affairs of the Company and its oversight of management. Critical to meeting this accountability is the relationship between the Board and management, shareholders, and the individuals on the Board. The Chair, as the presiding Board member, must ensure that these relationships are effective and efficient. In performing this role, the Chair must work with the CEO, manage the Board, and together with the CEO, ensure effective relations with shareholders, other stakeholders and the public. The Chair, while working closely with the CEO, shall at all times retain an independent perspective to represent the best interests of the Company.

THE CHAIR'S RELATIONSHIP WITH MANAGEMENT

The Chair will:

- (a) communicate to senior management the concerns of the Board, shareholders and other stakeholders;
- (b) act as a resource and sounding board for the CEO;
- (c) communicate to the Board management's strategies, plans and performance; and
- (d) facilitate the Board's interaction with key management as appropriate.

MANAGING THE BOARD

The Chair will:

- (a) facilitate the effective operation and management of, and provide strong leadership to, the Board;
- (b) chair Board meetings and ensure they are conducted in an efficient and effective manner;
- (c) ensure that the Board monitors the Company's strategies, policies, business and affairs and that the Board is alert to its obligations;
- (d) set the frequency of the Board meetings and review such frequency from time to time;
- (e) coordinate the agenda, information packages and related events for Board meetings with the CEO and the Corporate Secretary;
- (f) in conjunction with the CEO, recommend the committees of the Board and their composition, review the need for, and the performance and suitability of those committees and make such adjustments as is deemed necessary from time to time;
- (g) assist the Corporate Governance Committee with its annual review of the performance of individual directors, the Chair, the Board as a whole and the committees; and
- (h) attend committee meetings where appropriate and ensure that Board and committee meetings are conducted in an efficient, effective and focused manner.

RELATIONS WITH SHAREHOLDERS AND THE PUBLIC

The Chair will;

- (a) chair meetings of shareholders;
- (b) facilitate the Board's efforts to create and maintain measures that accommodate effective and efficient feedback from shareholders; and
- (c) decide if it is appropriate that the Board be represented at official functions and meetings with major shareholder groups and financial analysts.

EFFECTIVE DATE

These Terms of Reference were implemented by the Board on December 10, 2010.