

**AGNICO-EAGLE MINES LIMITED**  
**CORPORATE GOVERNANCE COMMITTEE**  
**CHARTER**

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This Charter shall govern the activities of the corporate governance committee (the "Corporate Governance Committee") of the board of directors (the "Board of Directors") of Agnico-Eagle Mines Limited (the "Corporation").

**I. PURPOSE OF THE GOVERNANCE COMMITTEE**

The Corporate Governance Committee (the "Committee") shall advise and make recommendations to the Board of Directors in its oversight role with respect to: (a) the development of the Corporation's corporate governance policies, principles, practices and processes; (b) the effectiveness of the Board of Directors and its committees; (c) the contributions of individual directors; (d) the identification of individuals qualified to become board members; and (e) the selection of director nominees for election by the shareholders.

The Committee shall have the authority to delegate to one or more of its members, responsibility for developing recommendations for consideration by the Committee with respect to any of the matters referred to in this charter.

**II. COMPOSITION**

The Corporate Governance Committee shall be comprised of a minimum of three directors, each of whom shall be unrelated and independent as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities. (See Schedule A for current requirements.)

The members of the Corporate Governance Committee shall be appointed by the Board of Directors annually at the first meeting of the Board of Directors after a meeting of the shareholders at which directors are elected and each member shall serve until the next annual meeting of shareholders or until their successors are duly appointed or until such member is removed from the Committee by the Board of Directors. The Board of Directors shall designate one member of the Corporate Governance Committee as the chair of the Corporate Governance Committee (the "Chair"), but if it fails to do so, then the members of the Corporate Governance Committee may designate the Chair by a majority vote of the full Corporate Governance Committee membership.

### **III. MEETINGS**

The Corporate Governance Committee shall meet at least twice annually and more frequently as desired or required. The Corporate Governance Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of Members of the Corporate Governance Committee participating in any meeting of the Corporate Governance Committee shall be sufficient for the adoption of any resolution.

### **IV. COMMITTEE RESPONSIBILITIES AND DUTIES**

The Corporate Governance Committee's primary responsibilities are to:

1. review and assess the adequacy of this Charter, at least annually and, where necessary or desirable recommend changes to the Board of Directors;
2. review the Board of Directors committee structure on an annual basis and recommend to the Board of Directors any changes it considers necessary or desirable with respect to that committee structure, including (all in consultation with the Chairman of the Board): (a) the mandates of each committee; (b) the criteria for membership on any committee; (c) the composition of each committee; (d) the appointment and removal of members from any committee; (e) the operations of each committee, including the ability of any committee to delegate any or all of its responsibilities to a sub-committee of that committee; and (f) the process for each committee reporting to the Board of Directors;
3. review the charters of each committee of the Board of Directors at least annually, and recommend such changes as are required or desirable;
4. review the Corporation's corporate governance practices at least annually and recommend appropriate policies, practices and procedures to the Board of Directors;
5. review the corporate governance sections of the management information circular distributed to the Corporation's shareholders, including the statement of corporate governance practices;
6. develop and recommend to the Board of Directors a process for assessing the effectiveness of the Board of Directors, as a whole, the committees of the Board of Directors and the contribution of individual directors and be responsible for overseeing the execution of the assessment process approved by the Board of Directors;
7. evaluate its effectiveness and the effectiveness of its members pursuant to the process for such evaluation approved by the Board of Directors;
8. review at least annually the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board of Directors;

9. review annually the size and composition of the Board of Directors to ensure that there remain an appropriate number of "unrelated" and "independent" directors;
10. develop and recommend to the Board of Directors a Resignation Policy
11. review and assess, on an annual basis, the performance of Directors and administer and apply the Resignation Policy
12. develop and recommend to the Board of Directors an Outside Board Participation Policy
13. administer and apply the Outside Board Participation Policy
14. serve as a forum for individual directors to voice any concerns on matters not readily discussed at regular Board of Directors meetings;
15. recommend to the Board of Directors a system which enables an individual director to engage outside advisers at the Corporation's expense in appropriate circumstances and with the approval of the Committee;
16. recommend to the Board of Directors appropriate criteria for the selection of new directors, periodically review the criteria adopted by the Board of Directors and, if deemed desirable, recommend to the Board of Directors changes to such criteria;
17. identify and recommend qualified candidates to the Board of Directors who meet the selection criteria approved by the Board of Directors, and recommend the slate of nominees for election by shareholders at the annual meeting (and in this regard the Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates or to otherwise assist the Committee in the discharge of its responsibilities, including the sole authority to approve the search firm's fees and other retention terms));
18. recommend to the Board of Directors structures and procedures to enable the Board of Directors to function independently of management and oversee the development and implementation of any structures and procedures approved by the Board of Directors;
19. review the relationship of the Board of Directors with management and recommend, where appropriate, limits on management's authority to act without the express approval of the Board of Directors;
20. assess shareholder proposals as necessary for inclusion in the management information circular and make appropriate recommendations to the Board of Directors;
21. oversee (a) the development and implementation of orientation programs for new directors; and (b) continuing education for all directors;

22. report to the Board of Directors following each meeting of the Committee and at such other times as the Board of Directors may consider appropriate; and
23. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

## SCHEDULE A

### *Unrelated Director*

Under the proposed amendments to the Toronto Stock Exchange rules, "unrelated director" means a director who is:

- (a) not a member of management and is free from any interest and any business, family or other relationship which could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the issuer, other than interests and relationships arising solely from holdings in the issuer;
- (b) not currently, or has not been within the last three years, an officer, employee of or material service provider to the issuer or any of its subsidiaries or affiliates; and
- (c) not a director (or similarly situated individual) officer, employee or significant shareholder of an entity that has a material business relationship with the issuer.

The Toronto Stock Exchange does not consider a chair or vice chair of the board of directors who is not a member a management to be a related director.

### *Independent Director*

Under the New York Stock Exchange rules, the following requirements must be met to qualify as an "Independent Director":

- (a) No director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must disclose these determinations.
- (b) In addition:
  - (i) A director who is an employee, or whose immediate family member is an executive officer, of the company is not independent until three years after the end of such employment relationship.
  - (ii) A director who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$100,000 per year in such compensation.

- (iii) A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the company is not "independent" until three years after the end of the affiliation or the employment or auditing relationship.
- (iv) A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the listed company's present executives serve on that company's compensation committee is not "independent" until three years after the end of such service or the employment relationship.
- (v) A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the listed company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold.