



AGNICO EAGLE

AGNICO EAGLE MINES LIMITED

COMPENSATION COMMITTEE CHARTER

This Charter shall govern the activities of the compensation committee (the "Compensation Committee") of the board of directors (the "Board of Directors") of Agnico Eagle Mines Limited (the "Corporation").

I. PURPOSE OF THE COMPENSATION COMMITTEE

The Compensation Committee shall advise and make recommendations to the Board of Directors in its oversight role with respect to the Corporation's strategy, policies and programs on the compensation of senior management and directors.

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

II. COMPOSITION

The Compensation 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.

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

III. MEETINGS

The Compensation Committee shall meet at least twice annually or more frequently as desired or required. The Compensation Committee shall seek to act on the basis of consensus, but an

affirmative vote of a majority of members of the Compensation Committee participating in any meeting of the Compensation Committee shall be sufficient for the adoption of any resolution.

IV. RESPONSIBILITIES AND DUTIES

The Compensation 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 adequacy and form of compensation of senior management and ensure that the compensation realistically reflects the risks and responsibilities of such positions;
3. review and recommend to the Board of Directors for approval policies relating to compensation of the Corporation's senior management and directors;
4. review the performance of the Corporation's senior management and recommend annually to the Board of Directors for approval the amount and composition of compensation to be paid to the Corporation's senior management;
5. review and approve the corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of these goals and objectives and set the CEO compensation based on this evaluation;
6. review the compensation sections of the management information circular distributed to the Corporation's shareholders;
7. review and make recommendations to the Board of Directors with respect to pension, stock option, restricted share unit, performance share unit and other incentive plans for the benefit of senior management;
8. administer the Corporation's employee stock option plan for the benefit of officers and employees of, and services providers to, the Corporation and its subsidiaries;
9. administer the Corporation's incentive share purchase plan ("Purchase Plan") for the benefit of participating officers and eligible employees of the Corporation and its subsidiaries, including the adoption, amendment or rescission of any rules and regulations that in the Compensation Committee's opinion may be advisable or required in the administration or operation of the Purchase Plan or any rule, regulation or documentation used thereunder;
10. administer the Corporation's restricted share unit plan for directors, senior management and employees (the "RSU Plan") for the benefit of directors, senior management and employees of the Corporation and its subsidiaries including the adoption, amendment or rescission of any rules and regulations that in the Compensation Committee's opinion may be advisable or required in the administration or operation of the RSU Plan or any rule, regulation or documentation used thereunder;
11. administer the Corporation's performance share unit plan for senior management (the "PSU Plan") for the benefit of senior management of the Corporation, including the adoption, amendment or rescission of any rules and regulations that in the Compensation

Committee's opinion may be advisable or required in the administration or operation of the PSU Plan or any rule, regulation or documentation used thereunder;

12. review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks of such positions and fix the amount and composition of compensation to be paid to members of the Board of Directors and the committees thereof;
13. review and assess the design and competitiveness of the Corporation's compensation and benefit programs generally;
14. report to the Board of Directors on all other matters and recommendations made by the Compensation Committee;
15. report to the Board of Directors following each meeting of the Compensation Committee and at such other times as the Board of Directors may consider appropriate; and
16. 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 Compensation Committee by the Board of Directors.