

## CHARTER

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## CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

**Adopted by the  
Board of Directors of Jaguar Mining Inc.**

**November 7, 2006**

**Amended by the Board**

**July 16, 2007**



## **Purpose of the Committee**

The Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Jaguar Mining Inc. (the "Company") to assist the Board in discharging its duties relating to the safeguarding of assets; to develop, recommend, and oversee the operation of adequate corporate governance systems applicable to the Company in compliance with all applicable legal requirements, stock exchange rules and accounting standards; to identify individuals qualified to become Board members; and to select, or to recommend that the Board select, the director nominees for the next annual meeting of shareholders.

## **Charter**

### **A. Duties**

The Committee shall establish and periodically review the Company's corporate governance philosophy and strategies and the specific plans and policies adopted to implement the strategies [and to ensure that such philosophy, strategies, plans and policies are aligned with the Company's shareholders' interests], which shall encompass the duties set forth in this section.

**1. Corporate Governance.** In carrying out its purposes, the Committee shall have the duty, responsibility and authority to:

- a. Develop and make recommendations to the Board with respect to the Company's corporate governance systems and to thereafter monitor and periodically review the effectiveness of such corporate governance system, including business process control and business risk management;
- b. Prepare and recommend to the Board for adoption a set of governance principles applicable to the Company;
- c. Keep abreast of best corporate governance practices both locally and internationally, and to make recommendations to the Board for changes to the Company's practices;
- d. Review the size and composition of the Board and its committees to ensure compliance with all applicable regulations, including with respect to director independence requirements, and effective governance;
- e. Develop director orientation and continuing education programs for directors and for management and thereafter periodically review the effectiveness of such programs, which programs are intended to ensure that:
  - The responsibilities of the Board are understood by the directors and management, and that the boundaries between the Board and the management responsibilities are clearly understood and respected; and
  - The resources available to the Board (in particular, timely and relevant delivery of information) are adequate to support its work;
- f. Review the functions and effectiveness of the Board, the other Board committees and their respective charters and to recommend to the Board any appropriate changes,



including the creation and elimination of committees and the amendment of the committee charters, as the case may be;

- g. Prepare and recommend to the Board, and thereafter monitor and periodically review, the Company's policies for preventing and detecting fraud;
- h. Supervise and evaluate the Company's securities compliance procedures and report to the Board regarding recommended changes to such procedures and the adoption of any additional procedures;
- i. Review and evaluate the operational effectiveness of the Company's policies and procedures.
- j. Recommend actions to be taken where weaknesses in control were previously identified;
- k. Establish procedures for the oversight functions of the Committee with respect to the duties set forth in this charter; and
- l. Recommend sound corporate governance practices and review the Company's compliance with relevant statutory and stock exchange corporate governance requirements.

**2. Legal and Regulatory Considerations.** In carrying out its purposes, the Committee shall have the duty, responsibility and authority to:

- a. Review peer group, mining industry and other relevant corporate governance systems reported through surveys and other sources;
- b. Consult with any appropriate independent professionals the effectiveness of disclosure controls and procedures and significant trends and developments in financial reporting practices and requirements and their effect on the financial statements;
- c. Review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending tax issues or litigation) that may have a material impact on the Company and any material reports on inquiries from regulatory or governmental agencies;
- d. Develop, recommend to the Board and periodically review the Company's insider trading policy, in which mandatory black-out periods shall be imposed during which directors and management of the Company are prohibited from trading in securities of the Company;
- e. Develop, recommend to the Board and periodically review the Company's systems and practices for ensuring that all directors and all officers of the Company who are required to do so file insider reports in connection with any trade of securities of the Company or any derivative transaction which results in the effective disposition of the individual's economic interest in a security of the Company within the shortest period of time in which such reports are required to be filed;
- f. Review with legal counsel the adequacy and effectiveness of the Company's policies and procedures to ensure compliance with its legal and regulatory responsibilities;
- g. Review the legal and compliance function's organization, responsibilities, plans, results, budget and staffing; and
- h. Obtain and review reports from management regarding compliance with all applicable legal and regulatory requirements.



**3. Other Responsibilities.** In carrying out its purposes, the Committee shall have the duty, responsibility and authority to:

- a. Review the risk policies with respect to risk identification and the risk management process;
- b. Conduct an annual evaluation of the adequacy of this Charter and recommend any proposed amendments to the Board for approval;
- c. Prepare an annual "Statement of Corporate Governance Practices" (the "Annual Statement") to be included in the Company's annual report or information circular, which Annual Statement shall set forth the process used by the Board and the Committee to fulfill their functions as required by the guidelines of the Toronto Stock Exchange Company Manual, as applicable;
- d. Annually evaluate the Committee's performance and report its findings to the Board; and
- e. Perform such functions as may be assigned to it from time to time by the Board or as may be required by applicable rules or regulations.

#### **B. General Authority**

1. The Committee shall have the resources and authority it deems necessary and appropriate to discharge its responsibilities, at the Company's expense, including authority, with the prior approval of the Board in all cases, to select and retain legal or other consultants or experts, to approve the fees and other retention terms related to the appointment of such consultants or experts, and to terminate the services of any such consultants or experts with respect to compensation matters.
2. The Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by officers and employees of the Company, whom such member believes to be reliable and competent in the matters presented and on counsel or other persons as to matters which the member believes to be within the professional competence of such person.
3. Except as limited by law, or applicable securities rules and regulations, the Committee may form and delegate authority to such individuals or subcommittees as it deems appropriate.
4. The Committee shall have the power to call upon assistance from officers and employees of the Company and outside counsel and other advisers.
5. The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee.
6. The Committee shall have unrestricted access to the books and records of the Company and has the authority to communicate directly with outside counsel for the Company.
7. The Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions.



8. The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.
9. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part A of this Charter.
10. The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

### **C. Composition and Meetings**

1. The Committee shall be composed of three or more directors that are not executive officers of the Company as shall be designated by the Board from time to time and shall serve until their successors are duly elected and qualified or until their earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board. The Board shall appoint from among the Committee members a member who shall serve as Chair.
2. The Committee and its membership shall meet all applicable legal and listing requirements, if any, including, without limitation, those of the Toronto Stock Exchange ("TSX"), the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities, including the CSA.
3. Where a Committee member serves on more than three public company audit committees, the Board must determine and disclose that such concurrent service does not impair such Committee member's ability to effectively serve the Committee. If a Committee member is unable to act for any reason, the Chair of the Committee may co-opt another independent director as an additional member.
4. The Committee shall have the power to adopt its own operating rules and procedures, without the consent of management, which are not inconsistent with: (i) any provision of this Charter, (ii) any provision of the Articles and By-laws of the Company; (iii) the *Business Corporations Act* (Ontario); and (iv) other
5. The Committee shall meet at least once each quarter, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements.
6. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
7. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting. The Committee may also report to the Board on a regular basis with such recommendations and other matters as the Committee may deem appropriate, so that the Board is informed of the Committee's activities.
9. The time and place at which meetings of the Committee shall be held shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone



or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

10. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
11. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings. The agenda for each meeting will provide time during which the Committee can meet separately in executive session.
12. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
13. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.
14. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

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